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SUPPLEMENT

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NOTICE TO READERS: * indicates material not disseminated in electronic form.

Senegal

* Unions Urge More Sanctions Against South Africa

34000229A Cape Town CAPE TIMES in English 8 Nov 89 p 7

[Text] Harare.—Trade unionists from about 80 countries yesterday agreed to exert pressure on their governments to ban new investments in South Africa and impose more rigorous economic sanctions against it.

The more than 600 delegates to the 24th world congress of the Public Services International [PSI] said they would campaign for the convening of a United Nations conference aimed at obtaining commitments to an effective oil embargo against Pretoria.

Negotiations

In their resolutions, adopted after a morning of discussions on Southern Africa, the trade unionists called for an end to South Africa's "ruthless destabilization of neighboring states".

"The PSI notes indications that the apartheid regime may be prepared to enter into negotiations with organizations genuinely representative of the South African majority and welcomes these signs, while recognizing that negotiations are not an end in themselves.

"The PSI, therefore, pledges to step up and maintain its anti-apartheid campaigning until the true goal of a democratic, unitary state based on the principle of one person, one vote has been achieved," one of the resolutions stated.

The congress called on PSI-affiliated unions, representing about 11 million people, to step up anti-apartheid action.

Ethiopia

* Government Reaffirms Commitment to Development

34000894A Addis Ababa THE ETHIOPIAN HERALD in English 9 Nov 89 pp 1, 3

[Text] (ENA)—Comrade Tesfaye Dinka yesterday corrected the wrong impression created by news reports abroad to the effect that Ethiopia is going to drastically curtail its development projects due to the war in the northern parts of the country.

Comrade Tesfaye Dinka, Alternate member of the Political Bureau of the CC [Central Committee] of the WPE [Workers Party of Ethiopia] and Deputy Prime Minister of the People's Democratic Republic of Ethiopia, gave a press statement to foreign journalists to correct the impression spread, after the second emergency meeting of the National Shengo, to the effect that Ethiopia had scrapped its development projects in order to divert funds to the war effort.

Comrade Tesfaye said: "We are surprised how such a conclusion could have been drawn from the proceedings of the Shengo. Neither the resolution issued at the conclusion of the Shengo session nor the President's opening address warrants such a conclusion."

Comrade Tesfaye stated that all that the Shengo had done in this regard was to authorise the State Council to review the current year's budget, from time to time, and make adjustments based on developments in all sphere of national activity.

Comrade Tesfaye mentioned President Mengistu's statement that, in accordance with the resolution of the Third Regular Session of the Shengo on the current year's development plan and budget, Ethiopia was going to concentrate on the efficient and speedy implementation of several important development projects. But the President did not imply that Ethiopia is now going to scrap these projects, he said.

The Deputy Prime Minister further stated that the projects would go on, but instead of exclusively following up their implementation, the government would have to devote time and effort to defending the national unity of the country fighting anti-unity forces, namely the so-called Tigrai People's Liberation Front. Virtually, all the important projects incorporated in the 1989/90 will be implemented, he said.

The Deputy Prime Minister pointed out that the government had called on the whole people to take extra effort on the economic front to help assure victory and the realisation of the country's goals in both the development sphere and in ensuring national unity and integrity, and that the Ethiopian people have expressed readiness to make such sacrifices.

Comrade Tesfaye emphasised that the government will pursue development plans essentially in the shape it was adopted at the beginning of the fiscal year.

Ethiopia will take appropriate austerity measures in order to achieve this and at the same time to ensure the national unity and integrity of the country, Comrade Tesfaye said.

* Youth Groups Mobilized Against TPLF Threat

34000895A Addis Ababa THE ETHIOPIAN HERALD in English 5 Nov 89 pp 1, 4

[Text] (ENA)—Inhabitants of different localities continue to express their readiness to administer a crushing defeat to the "Woyane" group which is waging a war to dismember Ethiopia.

Through the demonstrations held during the week, the inhabitants said they are eager to go to the war fronts in order to make sacrifices for the unity of the country.

They were briefed on the evil intentions of the "Woyane" group which is bent on dividing the people by fomenting feelings of tribalism.

Among those who pledged to lay down their lives for the sake of unity and the enhancement of productivity were the inhabitants of Dedebo, Melko Bolena and Harar Zuria of East Hararghe Administrative Region, Dale, Ayira Guliso, Lalo, Jibdo Amaro, Jarti Gida Kiremu, Limu Ibantu Awrajas in Wollega Administrative Region, as well as representatives of Gishe Awarja party committees, government and mass organizations, community elders, religious leaders and members of people's militia.

Meanwhile, members of the REYA [Revolutionary Ethiopia Youth Association] chapter of Sidamo Administrative Region have expressed readiness to be deployed to the war front to administer a blow to the "Woyane" group.

The youth are at the forefront of the drive to crush the "Woyane" and restore peace and stability in the troubled areas in the north.

Ethiopian students studing in Cuba have affirmed their readiness to answer the national call in every way possible. They said in a message that they whole-heartedly supported the resolutions passed by the First Extraordinary Plenum of the CC [Central Committee] of the WPE [Workers Party of Ethiopia] and Second Extraordinary Congress of the National Shengo calling for total mobilization to deal with the situation.

The students pointed out that there is no alternative to putting a decisive end to the attempt being made by the "Woyane" group to dismember the country and disrupt national unity and expressed their preparedness to make the ultimate sacrifice in helping bring about a swift end to the trouble.

Here at home, youth in Gayint Awraja of South Gondar Administrative Region expressed outrage at the action of elements of the "Woyane" bandits in burning the National Flag, destroying development infrastructure and using building frames as firewood.

At a rally held recently in the town of Nefas Mewcha, the youth chanted and displayed slogans vigorously denouncing the anti-people and anti-unity mission of the terrorist group and expressed their readiness to fight alongside the Revolutionary Army. Large portions of the towns people joined the youth in the demonstration, following which speeches were made underlying the gravity of the challenge posed by divisive forces.

Meanwhile, in North Wollo Administrative Region, huge rallies were organized and meetings held to urge the population to start getting mobilized for crushing the "Woyane" adventurist band which had spread its tentacles to the area and has been engaged in wanton destruction of property and the shedding of innocent blood.

The youth were joined by community elders in denouncing the temerity of the "Woyane" in attempting to dismember and destablize the country. Slogans displayed at the rallies ranged from "Eritrea will never secede" to "our task is to build and not to destroy".

Similar demonstrations were held in North Gondar Administrative Region where the inhabitants of Dabat displayed the National Flag and denounced anti-unity sentiments. They said elements of the "Woyane" bandit group were not only killing people and destroying property but also forcing peasants to provide the terrorist bands with provisions.

* Rallies Organized To Condemn TPLF

34000897A Addis Ababa THE ETHIOPIAN HERALD in English 7 Nov 89 pp 1, 3, 5

[Text] (ENA)—Popular indignation against organized violence and terror perpetrated by the "TPLF" [Tigre People's Liberation Front] calling itself *Woyane* continues reverberating up and down the country, and nowhere is this more pronounced than in those border areas where the group has managed to inject its venom.

Scores of thousands of people turned up recently at a massive rally in the town of Woldiya, North Wollo Administrative Region, and warned *Woyane* units operating in the area to leave the region immediately. North Wollo is one of the regions bordering Tigrai to which the tribalist-inspired band has managed to spread its tentacles.

The demonstrators marched through the town displaying the national and development infrastructures. According to eyewitness accounts, units of the *Woyane* group, reported to be engaged in noctural rampage in some parts of North Wollo, earlier dismantled X-Ray, laboratory and other hospital equipment and carried off hospital beds, mattresses and school furniture.

Water pumps, power generators and an irrigation dam have been destroyed in the locality and the harvest put to the torch.

In a similarly vicious demonstration of the group's true character, attempts have been made to break up peasant service cooperatives and set one peasant association in bloody confrontation against another.

The demonstrators at Woldiya said they were determined to put an end to this orgy of senseless violence and terror.

Meanwhile, mass organizations and inhabitants of different Awrajas continue expressing readiness to pay every sacrifice in the struggle to safeguard the unity and territorial integrity of the Motherland.

The inhabitants of two towns and members of 31 *Kebele* peasants' associations in Chilga Awraja, North Gondar Administrative Region, expressed commitment to further intensify their struggle to put an immediate end to the destructive war unleashed by the treacherous *Woyane* group.

After discussing measures to be taken against the bandits, they expressed determination to give every assistance to the armed forces and to deploy themselves when necessary to fight alongside the revolutionary Army to crush the anti-people and anti-unity elements.

Similarly, members of the Sidamo regional Revolutionary Ethiopia Youth Association (REYA) on Saturday reaffirmed their determination to be mobilised to the fronts to put a definitive end to the war waged by the narrow nationalist *Woyane* group.

The regional association on Saturday held its council meeting to review activities accomplished during the past year and discussed its plan of action for this year.

The council discussed extensively the prevailing situation in the country and came out with a decision to rally alongside the Revolutionary Army and to give assistance to the war effort.

They expressed anger over the destructive activities of the bandits who wage a war in the service of the Eritrean secessionists and pledged to go to the war front to fight alongside the Army and the territorial militia.

Youth association members in the Addis Ababa Administrative Region likewise reaffirmed their commitment to stand at the forefront in the fight against the *Woyane* group which is bent to dismember the country.

Members of the Revolutionary Youth Association (REYA) of Sululeta, Welmera, Alem-Gena, Akaki, and Kotebe towns as well as Addis Ababa made the pledge during general meetings held on Sunday. Over 600 basic associations conducted meetings in their localities to discuss the objective conditions in the country.

The anti-Ethiopian *Woyane* group should realise that the present generation will pay heavy sacrifices for the freedom and prestige of Ethiopia and are also resolved to foil all anti-people and anti-unity activities by promoting their participation in every field of activity, the basic association said during their meetings.

Teachers in Gondar town pledged to rally on the side of the Revolutionary Army to administer a crushing defeat on the *Woyane* group who are waging a war against the Ethiopian people to dismember the country and to separate Eritrea from its Motherland.

The teachers made the pledge on Sunday after discussing the objective reality of the country. They discussed the measures that must be taken in order to offset the attempt being made by the *Woyane* group to disrupt peace and security in Ethiopia.

They also pledged to live up to expectation in the task of shaping a new socialist generation imbued with socialist emulation and greater awareness of national unity.

The teachers declared that they fully support the efforts being made by the government to resolve peacefully the conflict in the northern part of the country.

They further expressed readiness to expose elements who advance the interests of the *Woyane* group and declared that they will provide the necessary material and financial support to the Revolutionary Army.

Meanwhile, inhabitants of 20 Awrajas in Wollega Administrative Region have reaffirmed their readiness to rout the *Woyane* elements in response to the national call made by President Mengistu Haile-Mariam on October 18.

Speaking at the rally held in Nekempte town, Comrade Nigussie Fanta, member of the CC [Central Committee] of the WPE [Workers Party of Ethiopia] and First Secretary of the WPE Committee for Wollega Administrative Region, urged the participants to be ready to rout the *Woyane* warmongers.

Similar pledges were made by rally participants in Harar town and Harar Zuria Awraja.

Comrade Gebreyes Wolde-Hana, member of the CC of the WPE and First Secretary of the WPE Committee for East Hararghe Administrative Region, stressed that people are on the alert to withstand the aggression unleashed by the inhabitants of South Shoa Administrative Region, West Hararghe Administrative Region and North Shoa Administrative Region.

* New Congress To Lead Campaign Against Rebels

34000897B Addis Ababa THE ETHIOPIAN HERALD in English 9 Nov 89 pp 1, 3

[Text] (ENA)—The First Congress of the National Revolutionary Campaign Centre (NRCC) was held here yesterday with the aim of coordinating mobilization efforts to change the current serious and destructive situation prevailing in the north of the country as well as to create a suitable condition for safeguarding the gains of the popular revolution and national unity.

President Mengistu Haile-Mariam briefed participants of the congress on the establishment and functions of the new organization. The Congress held at the Grand Palace approved the structure of the centre following discussion on the functions of the centre and the current situation in the country.

Members of the congress are from the Political Bureau of the CC [Central Committee] of the WPE [Workers Party of Ethiopia], ministries, commissions, mass and professional organizations, religious leaders an renown individuals.

President Mengistu Haile-Mariam said that the security and sovereignty as well as integrity of the motherland are seriously endangered and threatened. He explained that as a result of the threat to the nation, the Ethiopian people, angered by the wicked intentions of the enemy, had expressed their readiness to pay the necessary sacrifices for the sake of national unity and dignity of the motherland, he said.

The aims of the congress are to protect the national unity of the country and the wishes of the people, President Mengistu stated. He added that the *Woyane* bandit group, a trouble-maker bent to create chaos and havoc, has a vested interest of separating Eritrea from the motherland.

Stating that the group had extended its sinister activities, characterized by wanton destruction and rampage, to other parts of Ethiopia after subjecting the people of Tigrai to the sad situation, President Mengistu said that the *Woyane* is putting to a test the integrity of the motherland. He emphasized that the Ethiopian people had become aware of the future danger posed by the bandit group.

The remaining task, he stressed, is to achieve the necessary result by translating into action the wishes of the people through co-ordination under the National Revolutionary Campaign Centre that would work under close supervision and direction of the Political Bureau of the CC of the

At the national level, the congress will have an executive committee secretariat and 11 branches that will take appropriate action taking into account the war's impact in political, economic and social fields, President Mengistu explained.

The President further said that the Centre will have branches in autonomous and administrative regions which pave the way for the intensification of the participation of the people. He added that guidelines had been prepared for the structuring of the Centre at national and regional levels ensuring the existence of appropriate strategy to tackle the *Woyane* threat.

The strategy envisages measures not only to withstand the covert activities of the anti-people group but also to root out the strongholds of the group within the area in which the group came into being, President Mengistu said. He added that the task of organising and deploying

a popular force has to be hastened in addition to strengthening the regular army.

The President said that the responsibility of the members of the congress is to guide in a constructive and fruitful way the participation of the people and to co-ordinate their activities in line with their firm resolution. Victory is certain to be achieved provided: measures taken are motivated by love for the motherland and the people, he said.

Comrade Fisseha Desta, member of the Political Bureau of the CC of the WPE and Vice President of the PDRE [People's Democratic Republic of Ethiopia], gave explanations on the structural set-up and tasks of the Centre.

Comrade Fisseha, who has become the General Secretary of the National Revolutionary Campaign Centre, said that the Centre is directly accountable to the Political Bureau of the CC of the WPE.

The Centre co-ordinates and motivates the people to stand alongside the Revolutionary Army and fight against anti-unity elements who are bent to dismember the country and to show tribal difference among the people.

* Defector Says TPLF Seeks Eritrean Secession

34000899A Addis Ababa THE ETHIOPIAN HERALD in English 18 Nov 89 p 2

[Article by Zenebe Nigatu]

[Text] The previous presentation, based on an interview with "TPLF" [Tigre People's Liberation Front] ex-member Ato Abraha Yayeh, showed how the group originated and changed its stand from time to time in order to pursue its anti-people motives and undermine national unity.

The following presentation, based on the same interview, shows how "TPLF" devises contradictory programmes as regards "the liberation of the Ethiopian people" and advocates the secession of Eritrea from Ethiopia and exposes its inconsistent and wavering stand.

The "TPLF" had initially claimed that it will wage a struggle to establish the 'Tigrai republic'. Of late it has changed its color and says that it is waging a struggle to "liberate the Ethiopian people" and at the same time stand behind the secession of Eritrea. These positions taken by the anti-people group stand in contradiction with one another. This requires further elaboration.

First and foremost, any group which seeks to establish a "democratic republic of Ethiopia" must be composed of Ethiopians. Two pertinent questions should be mentioned here. Is it by dismembering Eritrea that the "TPLF" seeks to establish the democratic republic? Or is it struggling for the establishment of the republic with Eritrea as a component part of Ethiopia? In the "TPLF" Programme, the Eritrean issue is treated as a colonial question which for sure means that the group backs the secession of Eritrea. On the other hand, "TPLF" elements declare in the programme that they are Ethiopians. From this, we can realize that the "TPLF" elements have been enmeshed in contradictions.

Although they assert that the Eritrean issue is a colonial question, it must be pointed out here that many youngsters from Tigrai have lost their lives in Eritrea.

If these elements say they are Ethiopians, they should come together with other Ethiopians, discuss matters pertaining to Ethiopia and come to a decision. At present, peace talks are being held to resolve the problem in Eritrea region. It is a pity that, at such time, a war calculated to "liberate Eritrea" is going on in Tigrai and neighboring regions.

The "TPLF" has been shifting from one 'objective' to another and changing colors. It is worthwhile to give an explanation to this inconsistency characterized by wavering and prevarication. The "TPLF" by no means seeks to find solutions to the "problem" in Tigrai within the Ethiopian context. It is a group conceived and organized with the ulterior motive of "liberating" Eritrea. It is a group that is fishing in troubled waters. The "TPLF" is like a caravan of railway carriages pulled by a locomotive—the locomotive being a group of individuals who are out to fling the country into the bottomless depths of tribal and ethnic prejudice. They portray the Amhara nationality as the oppressor ruling class. But a trip about 80 kilometers away from Addis Ababa on the Debre Berhan road enables us to see people from the Amhara nationality whose social status is like those of the ordinary people in the other parts of the country. Does it mean that these people described above are oppressors? Ex-King Haile Selassie, who was at the top of an oppressive regime, came from the Amhara nationality. But it is inappropriate to conclude from this that the entire Amhara nationality is an oppressor.

Churches, outside Ethiopia, have been identified as "Amhara" churches and "Tigre" churches. This indeed is a saddening situation. It is evident that people from the Tigre nationality have never been mistreated by people from other nationalities.

In fact people from Tigrai nationality have intermarried with those from other nationalities. It is clear to everybody that anti-Tigrai or anti-Eritrea sentiment is non-existent. On the other hand, "TPLF" elements reflect their anti-Amhara attitude in their songs and slogans. They want to intensify inter-tribal and inter-ethnic conflicts and cause destruction of one another.

On the other hand, Europeans are working hard towards integration and are making financial contributions towards this end. It is, therefore, imperative that we Ethiopians should at any cost put an end to such tribal and ethnic prejudice and ensure and consolidate our national unity.

At present, the "TPLF" bandit group is engaged in destructive activities in Wollo and Gondar regions. This

anti-people activity is full of strategic machinations. This onslaught started following the beginning of the peac talks to resolve the problem in Eritrea region. It is an act which clearly shows that the Tigrai bandits are behind the secession of Eritrea. Currently, the Ethiopian people are, more than at any time before, yearning for peace. Great effort is being made to peacefully resolve the fratricidal war in Eritrea which has been raging for over a quarter of a century, and, at this crucial period the "TPLF" is unleashing a war in the neighboring regions of Wollo and Gondar to realize its objectives as a hireling. In the course of the last twenty-eight years, the war in Eritrea has claimed untold lives. And all those who lost their lives were our Ethiopian compatriots. Under the circumstances, priority should be given to the safeguarding of national unity. At the moment, "Shabia," is trying hard to "liberate" Eritrea by sending its forces to Wollo and Gondar regions and exploiting the situation. In any guerrilla movement bandits have never occupied and administered a city. The purpose of a guerilla is to ambush an area and leave the scene. Tigrai is a region that is badly hit by drought. The bandits brought the people together, armed them and told them to go to Wollo and Gondar and ransack the people rather than perish from the pangs of hunger.

As a consequence of such rampage, many innocent people have lost their lives and still many have been displaced from their natural abode and have been exposed to great sufferings. Such a disgraceful act may serve the adventuristic interests of the so-called Marxist-Leninist League of Tigrai (Malelit). In a war, destruction of devastating proportions can be committed in a single day. But we should realize that it may take ages to replace what has been destroyed.

* New Telephone System Installed at Dire Dawa

34000893A Addis Ababa THE ETHIOPIAN HERALD in English 5 Nov 89 p 1

[Article: "ETA Installs New Digital Telephone System"]

[Text] Dire Dawa (ENA)—A digital telephone exchange installed here by the Ethiopian Telecommunications Authority at a cost of over 7.3 million birr began operation yesterday.

The new digital system will give efficient service to the people of the town and will facilitate direct telephone contact with foreign countries.

Comrade Shimelis Yared, head of the organisational affairs of the WPE [Workers Party of Ethiopia] Committee for the Dire-Dawa Autonomous Region, opened the new telephone system and said that it would highly contribute to the speedy development of Dire-Dawa town.

Comrade Bekele Kebede, Acting General Manager of the Ethiopian Telecommunications Authority, said that over 4 million birr worth of equipment had been purchased to help improve the micro-wave communication system from Addis Ababa, to Dire-Dawa and Harar towns and to complete the installation of the new digital system.

* Italy Donates Equipment for Water Projects

34000893B Addis Ababa THE ETHIOPIAN HERALD in English 9 Nov 89 pp 1, 3

[Article: "Italy Makes Donation for Water Works Construction"]

[Text] (ENA)—The Italian government yesterday donated various machineries and equipment valued at 26 million birr to the Ethiopian Water Works Construction Authority (EWWCA) for rural potable water development projects in Shoa, Addis Ababa and Arssi Administrative regions.

The consignment included drilling machines, light and heavy vehicles, a mobile garage, water treatment plants, pipes, pumps and generators.

Comrade Kefyalew Achameleh, Deputy Commissioner of the National Water Resources Commission, received the donation from Ambassador Sergio Angeletti of the Republic of Italy to Ethiopia.

The Deputy Commission praised ber 10 in a Bogota restaurant, was the Italian government for the donation.

Ambassador Angeletti on his part stressed the importance of the donation to the people in the project areas.

During the implementation of the project 12 springs will be developed, 480 medium-sized water wells will be dug and 166 water distribution centers will be installed, according to Comrade Tsegaye Teklu, General Manager of the Central Zonal Office of the Ethiopian Water Works Construction Authority.

The General Manager said that the projects would benefit 500,000 people in the three regions.

The donation extended by the Italian government is based on an agreement signed last November 1988 between the Ethiopian Water Works Construction Authority and the Massenza fu Giuseppe Company.

Kenya

* Press Reports, Weighs Bickering in Kanu

* Mungai Accuses Wanjigi

34000213 Nairobi DAILY NATION in English 17 Oct 89 pp 1, 20

[Article by Gichuru Njihia]

[Text] The Nairobi Kanu branch chairman, Dr Njoroge Mungai, yesterday pointed a finger at the man he is convinced is fuelling trouble in the branch—Mr Maina Wanjigi, the minister for agriculture.

In a press statement, Dr Mungai accused the Minister of being envious of his achievements in the branch and of seeking to take over the chairmanship.

But Mr Wanjigi dismissed the issue and said he did not wish to be dragged into the politics of Dagoretti constituency as both Mr Chris Kamuyu, the area MP [Member of Parliament], and Mr Clement Gachanja, the former MP, were his personal friends.

Mr Wanjigi said in a statement that the "so-called Murang's Takeover Group was simply a cheap and simplistic slogan being coined to seek sympathy for those falling from favour.

The truth of the matter, he said, was that "during my 20 years in the political life of Nairobi, I have enjoyed very encouraging support from a cross section of all tribes and races in Nairobi and in Kamukunji in particular and I do not wish to be misdirected to talking sectionalism either now or in the future."

He also said he was not in the country during the election of Mr David Mwenje to the Chairmanship of Embakasi sub-branch.

On Sunday, 10 members of the Nairobi Kanu branch executive committee called a press conference where they accused Mr Wanjigi of being behind the wrangles in the branch.

At his press conference yesterday at the Kanu branch office, Dr Mungai said that in his 30 years in Kanu, 17 of them as chairman of a Kanu branch, he had never had his name tarnished.

He produced a number of letters to prove that he had never monopolised the affairs of the youthwingers and women wing nor the parades by the same as claimed by his detractors, among them the branch secretary Mr Maina Kamanda.

Dr Mungai, who is the MP for Westlands, said he had been a member of the ruling Kenya African National Union since it was founded. "I was the secretary of the committee that organised Kanu and my original number in the Kanu Register was number two. The first number went to the late Mr James Samuel Gichuru.

The Nairobi Kanu boss said he took over the leadership of the branch after beating the former Starehe MP, Mr Charles Rubia, at the polls. "The branch has been quiet and has been run in an atmosphere of understanding and friendship until recently. This is a new development in Nairobi brought about by envy and jealousy, he said.

"In fact, it is not Murang'a Takeover Group (MTO) that is causing this row, but two people from Kangema in Murang'a District who are behind it. He said he had heard rumours that the branch secretary, Mr Kamanda, operated as the front for Mr Wanjigi "who has always wanted to take over the seat from me but has been unsuccessful."

The Nairobi Kanu boss said he had been working tirelessly to ensure that the branch was well run.

Dr Mungai went on to say that recently rumours were rife that "two people originating from Kangema were belittling, discrediting everything the chairman was doing and that "they will attempt to remove me from the Chairmanship of Kanu and give to Mr Maina Wanjigi.

Dr Mungai dispelled allegations of the executive that a national party official was behind the take over group. "If anybody is using the name of the MP for Kangema, the secretary-general of Kanu and the minister for transport and communications or any other national official, I would ask them to desist from it with immediate effect."

He stated that he had nothing to do with Dagoretti where about delegates from the sub-branch met and threw out their chairman and replaced him with the former area MP, Mr Gachanja.

* Suspension Angers Boss

34000213 Nairobi KENYA TIMES in English 17 Oct 89 p 5

[Article by David Maina]

[Text] The Nakuru Kenya African National Union (Kanu) chairman, Mr Wilson Leitich, at the weekend admonished the Banita sub-location Kanu committee for allegedly suspending the area councillor over his differences with his (councillor's) employer.

Mr Leitich said the suspension of Coun Wilfred Wanjala of Makongeni by the party officials was uncalled for. He said Coun Wanjala's quarrel with the management of Majani Mingi Sisal Estate, where he was the welfare officer, had nothing to do with the party.

Addressing a Kanu Maendeleo ya Wanawake recruitment drive at Majani Mingi in Mogotio on Sunday afternoon, Mr Leitich, who is also a nominated Member of Parliament, cautioned the party officials against victimising others using the name of the party.

Those present at the meeting included the Nakuru acting district commissioner, Mr John Abduba, the branch organising secretary Coun William Lasoi, who is also Ronga sub-branch chairman, the district women wing leader, Mr Rahab Wanjiru (Mama Steel), Nakuru division women leader, Coun Ruth Shadrack and Coun Melen Gretata of Nakuru municipality.

Mr Leitich recalled that the quarrel between Coun Wanjala and a senior person at the sisal estate arose out of the state officials alleged use of the president's name in a derogatory manner.

He said Coun Wanjala and those who were present when the alleged utterance by the official was made recorded statements with the special branch in Nakuru.

But efforts to reach the manager of Majani Mingi Sisal Estate by phone by yesterday were fruitless as the phone appeared engaged for a long time. A person at the post office exchange when asked to get the number said he could not go through saying he suspected the handset had been left off the hook.

Mr Leitich told the meeting: "If the councillor had a quarrel with management of the sisal estate, it had nothing to do with the party and we would like to know what happened with the case as the person alleged to have uttered the words has not been called to record a statement."

He warned that the president's name should not be used in such a manner as alleged saying the Head of State should be accorded due respect by all. He said the issue should be investigated fully and a conclusive answer given.

Mr Leitich paraded the sub-location party officials, who reportedly suspended Coun Wanjala, and warned them against being used to victimise other Kanu members.

"You should always strictly follow the party procedure in disciplining members and should avoid resorting to uncalled for suspensions. You should always stand for the truth," he told them.

On Maendeleo ya Wanawake elections, Mr Leitich said women should be given a free hand to elect leaders of their choice and he assured that the branch will ensure there was no interference in the polls.

He asked women to be cautious of those who will try to canvas for votes on tribal or any other sectional appeals saying Kenyans had been unified into one tribe by President Moi and should consider themselves as one.

* Moi Warns Against Expulsions

34000213 Nairobi DAILY NATION in English 21 Oct 89 pp 1, 17

[Article by Muthui Mwai]

[Text] President Moi yesterday cautioned the Nairobi Kanu branch and other wrangling branches against arbitrary expulsion of members from the party.

The president, who was addressing the nation from Nairobi's Nyayo Stadium, said he would like leadership wrangles at the Nairobi (branch) and elsewhere in the country to be investigated instead of people meeting in a hurry to expel others.

He said: I would like you (branches) to sit down and list all charges and then submit them to the Kanu headquarters for final decision."

Amid applause from women form the Nairobi Kanu branch and other people gathered at the stadium, the president said that although he did not favour erring officials he would like party procedure to be followed in all expulsion cases.

President Moi reminded Kanu youthwingers that their duty was to serve the party and not individuals.

The Nairobi Kanu branch is currently locked in bitter leadership squabbles which started early this year but reached a crescendo last weekend when the 20, during a closed-door branch meeting after the branch executive dismissed the incumbent Embakasi sub-branch chairman, Mr Julius Ciira and order fresh election for a new chairman.

The MP for Embakasi, Mr David Mwenje took the chairmanship 2 weeks later during an election which was later strongly disputed by some sub-branch officials.

Wrangling came to a head on 14 October, when 90 delegates of the Dagoretti Kanu sub-branch demanded the resignation of Dr Njoroge Mungai.

On 17 October, seven Nairobi MPs issued a statement expressing concern with the manner in which Kanu affairs were being conducted in the city and demanded that the chairman convene a branch executive meeting the following day.

But Dr Mungai responded by calling an all delegates conference which aborted at the 11th hour after a police officer dispersed the 800 delegates who had converged at the Kenyatta International Conference Centre.

Yesterday, the president said: "I am not defending anyone. My role is to unite people and I known infighting between leaders can hurt the people."

He asked leaders to have patience, be forward looking and avoid being greedy or engaging in social evils.

The president said Kenya's population was three times what it was at independence and asked those in business and industry to redouble their efforts to create more job opportunities.

He cautioned against delay in the implementation of development projects saying this hampered the development of the society. "I want to remind those charged with implementation of development projects that the country is still on the run," he added.

President Moi said the Kenya Cooperative Creameries [KCC] which faced collapse under an earlier management was now making profits and was considering to lower the consumer price of milk. He said KCC was now well run and the interests of dairy farmers were being safeguarded.

He similarly commended the refurbished Kenya Meat Commission for making good returns.

Turning to the Kenya Tea Development Authority (KTDA), President Moi said the committee he had appointed would investigate how farmers' money was being squandered.

He expressed shock that tea farmers were paid only Sh5 to Sh6 per kg while it fetched Sh60 per kg on the international market.

The president accused middlemen of milking the tea industry from the tea-picking to the auctioning stage where they also got paid a commission.

President Moi emphasised that justice must be done to Kenyans if the peace prevailing in the country was to be maintained.

The president assured Kenyans that officers seconded to some KTDA factories and KTDA, itself were seeking to establish how a farmers money was siphoned off with a view to taking remedial action.

President Moi expressed displeasure with the way the coffee industry was being run but, while conceding that he had not yet appointed a committee, he said "the industry merited some investigation."

He had earlier called on politicians, civil servants, the clergy and people from all walks of life to ensure that their utterances were aimed at nation building and not at destroying what had already been achieved.

On the way to Nayao National Stadium, President Moi passed through Kanu headquarters at the Kenyatta International Conference Centre where he signed the distinguished visitors book.

President Moi also laid a wreath at the mausoleum of the late President Jomo Kenyatta. Later at State House, Nairobi, President Moi hosted a garden party to mark the Kenyatta Day celebrations.

* Unity Pledge Broken

34000213 Nairobi DAILY NATION in English 28 Oct 89 p 28

[Article by Wanjohi Nderitu]

[Text] The promised unity of leading Nyandarua District politicians broke up on Thursday when two assistant ministers accused each other of using outsiders to either rise or hold on to their positions.

An assistant Minister for Local Government and Physical Planning, Mr Kimondo Wagura, asked his environment and natural resources counterpart, Mr Josiah Kimemia, to resign from leadership, but Mr Kimemia retorted that Mr Wagura wanted to seize from him the Kanu branch chairmanship.

Mr Wagura, who is the branch secretary, accused Mr Kimemia of "allowing himself to be used by outsiders to cause trouble in Nyandarua, thereby causing disunity in the three local Kanu subbranches."

Mr Kimemia in turn said that Mr Wagura was "being influenced by outsiders to seek the branch chairmanship."

Saying he would not resign as he had been "popularly elected," the branch chairman described Mr Wagura as "having a reckless ambition and being greedy for power."

The assistant ministers were talking to the press after a hurriedly convened branch executive committee meeting failed to kick off after they and several other officials held a 4-hour informal meeting at the local country council offices.

Mr Wagura, who was accompanied by committee members from Ndaragwa subbranch, where he is the MP [Member of Parliament], claimed that Mr Kimemia had sabotaged the meeting by "arranging for the branch office to be closed and keeping the key."

He alleged that Mr Kimemia had been aware that he would be discussed "particularly for his habits of publicly making sweeping statements and attacking other leaders."

Mr Wagura further claimed that Mr Kimemia had transported "a matatu-full" of Kanu youth wingers from Kinangop to the meeting to harass people if the meeting materialised.

He also accused Mr Kimemia of "having the unbecoming and ungentlemanly habit of denying things which had been agreed upon by fellow leaders in his presence or what he himself had said."

Mr Kimemia accused Mr Wagura of convening Thursday's meeting without his authority. He said he had called off the meeting.

He said he would personally convene another meeting after the branch vice-chairman and the MP for Kipipiri, Mr Kabingu Muregi, returned to the country from an overseas tour.

Mr Kimemia denied Mr Wagura's accusations and charged that he was "playing a hide-and-seek game and should tame his ambitions.

* Subversive Elements Blamed

34000213 Nairobi KENYA TIMES in English 23 Oct 89 pp 1, 2

[Article by Stan Luchebeleli]

[Text] The political squabbles in various branches of the ruling party are being created by subversive elements in its hierarchy, the national chairman, Mr Peter Oloo Aringo, declared over the weekend.

The "disgruntled elements"—whom he declined to name—had infiltrated the party" [quotation marks as received] to plant the seeds of subversion. Hence the noise in the various branches and sub-branches, he said.

Mr Aringo said the Kenya African National Union (KANU) would soon flush out those with "destructive

motives" if they do not stop it and amend their ways. He assured those behind the ill-intended motives they would not succeed.

The party chairman, who is also the minister for education, was speaking as he presided over a Harambee meeting at Lukayani Secondary School, Soy Location, Kakemega District.

He was accompanied by the minister for supplies and marketing, Mr Musalia Mudavadi, a minister in the president's office, Mr Burudi Nabwera, and an assistant minister for regional development, Mr John Okwara.

The minister helped raise sh 1,704,592.30. He donated SH 70,000, Mr Mudavadi Sh 5,000, Mr Nabwera Sh 40,000, Mr Okwara Sh 4,000 and a Nominated MP [Member of Parliament], Mr Welengai Masinde, Sh 2,000.

Mr Aringo said: "Many other subversives have failed in their activities and these ones will also fail."

Kenya's politics should be based on action in unity to uplift the people's living standards under the leadership of President Moi, he said, adding that what Kenyans needed was a strong team of Nyayo followers. He urged those who had joined politics only recently kuenda pole pole (to trend with care). [sentence as received]

Wananchi must resist any attempt by power-hungary people to influence them, he said, advising leaders always to speak the truth.

Mr Mudavadi called on leaders to fulfill their obligations to wananchi and guide the country to greater development heights.

He asked leaders who had entered politics recently to learn how to conduct themselves, adding: "It is easy to climb the ladder and yet fall quickly." Now leaders should not risk scoring the ball in their own goal.

Mr Mudavadi's sentiments were supported by; Mr Aringo, who said Kenya must be one team "whose captain is President Moi."

Said Mr Mudavadi: "We have a new breed of voters who want development and unity. We must realise that our votes have to be for unity."

Mr Nabwera said what Kakamega District needed was unity and a strong team of elected leaders. He lauded Musalia's late father Mr Moses Mudavadi, saying: "Ile Mbegu Ilikuwa sawa sawa kabisa. Ile mbegu ilisaidia Kakamega na Kenya mzima."

A man, he said, could not sell a heifer given birth to by a cow known to produce a lot of milk. The minister for supplies and marketing was "a youth and I am old. But if a ball comes to me, I will cross it on to him to score."

Mr Aringo's remarks came in the wake of a rising number of cases of wrangling among certain party branches, adds Nixon Kariithi.

Early last month, a tussle erupted in the Busia branch when three members of Parliament and virtually all the branch's party officials walked out in protest at the presence of the minister for labor, Mr Peter Okondo.

The incident, which was subsequently condemned by President Moi as unfair, culminated in the presidential dissolution of the Bunyala sub-branch committee and a call for fresh elections to be conducted.

At the same time, a controversy was simmering in the Kakemega branch, where the treasurer, Mr Reuben Otutu, was reported to have resigned from his post, amid claims that he had mishandled delegates from the district when they attended the party's national annual general meeting in Nairobi in June.

The branch suspended its executive officer, Mr Paul Bwabi, early this month, pending investigations into the disappearance of over Sh 79,000.

Other scuffles were reported from Nakuru, where a civic leader last month alleged that a group of local leaders were planning to unseat the Nakuru town member of Parliament, Mr Amos Kimemia, and were sabotaging his development agenda.

In Nyeri, a political row flared in late September, some party officials demanding the suspension of the branch's organising secretary, Dr Charles Kamara.

The row, however, fizzled out quickly early this month when the group championing Dr Kamara's suspension crossed the floor to support him and, instead, suspended the locational secretary, Mr Wanyaga Gathaka.

Three weeks ago, the Embakasi sub-branch was engaged in a bitter row over alleged irregularities in the election of the area MP, Mr David Mwenje, as chairman.

An opposition group claimed the elections had been held at night as part of a larger conspiracy to give all posts to a "Murang'a-Nairobi-take-over-group."

The ensuing oral clashes were stilled by a statement from the Secretary-General Mr Joseph Kamotho, that the party regarded the wrangle as a political manipulation of the known facts.

He warned that headquarters would take appropriate disciplinary measures against groups or anyone if the squabbles continued. The noise ended only when President Moi stepped in late last week.

Last week, too, a new row broke out in another part of Nairobi as leaders from Dagoretti sub-branch called for the suspension of their Chairman Mr Chris Kamuyu.

* Leaders' Feuds Analyzed

34000213 Nairobi SUNDAY TIMES in English 22 Oct 89 p 7

[First paragraph printed in boxed area]

[Text] **What is the cause of the current squabbles within some sub-branch officials of the ruling party, Kanu when there are laid-down rules and regulations to deal with all those who deviate from the tenets or organised society? Charles Kulundu says although the National Disciplinary Committee was disbanded, the Kanu Code of Discipline is still binding to all Kanu members and leaders.**

President Moi has talked about it with great force. The ruling Kenya African National Union (Kanu) produced a special booklet in 1986 dwelling on the evils of indiscipline among its members and how to deal with those who deviate from the tenets of organised society. Yet throughout the week, newspaper headlines, editorials and commentaries have been all about leadership squabbles within certain branches of Kanu.

When Kanu was established and registered as political party, its constitution was written with the question of discipline in mind. The party has issued its election manifesto whenever there is a general election of both the party and indeed Parliamentary elections detailing how a candidate should conduct himself.

The compliance with the Kanu Constitution and the acceptance by Kenyans of the need to have an orderly society has greatly contributed to the peaceful political climate prevailing in the country. As often reminded by President Moi, there cannot be development in the country without peace.

What then is the cause of the current political bickering in some sub-branches and branches of Kanu? Has there been departure from the recognised pattern of events or are some leaders just bent on seeking short-cuts to positions of leadership?

Before venturing into specific areas of conflicts, it is important to recall what President Moi said when he launched the Kanu Code of Discipline booklet in 1986.

Said the president: "As a mass movement, it is vital for the party to be a disciplined organisation so as to provide exemplary leadership that is founded on freedom, justice and fair play for all."

It is in search of fair play for all that the president ordered that the Bunyala sub-branch party elections be repeated to establish the popularity of the leaders in the sub-branch following continued squabbles among Busia politicians. The squabbles in Bunyala were taking dangerous proportions which, if left unchecked, could have tarnished the good name of Kanu in the area.

The position of Bunyala sub-branch was unique in that it was perhaps the only area in Kenya where the sitting member of Parliament did not hold any party office in his own constituency. Not that Mr Pewter Okondo, the Bunyala MP [Member of Parliament], was defeated at the party polls. He was away on sick leave overseas when the Kanu grassroot elections were held.

Politicians being what they are, Mr Okondo felt uneasy in Bunyala where he is the elected representative and a senior cabinet minister, yet when it came to local party matters, he was considered a back-bencher. The overall Kanu boss in the district is Mr Moody Awori, MP for the neighbouring Samia Constituency.

An equally explosive situation has been simmering in the Nairobi branch of Kanu where the MP for Westlands, Dr Njoroge Mungai is the chairman. Two sub-branches, Embakasi and Dagoretti, have been locked in disputes over the sub-branch chairmanship. Indeed some officials have challenged Dr Mungai's leadership with calls that he step down as party chairman.

The Nyeri branch has also been having its share of leadership squabbles, although Mr Mwai Kibaki, MP for Othaya, has defended the branch officials saying the differences between the minister for information and broadcasting, Mr Waruru Kanja and the mayor of Nyeri had nothing to do with the branch.

The situation has been an unpleasant one which has led the party secretary-general, Mr Joseph Kamotho, to issue fresh guidelines on how disputes arising at sub-branch levels should be handled, and at what stage Kanu headquarters should be involved in purely branch affairs.

Perhaps there is a general misconception in the country that discipline within the party died with the scrapping of the National Disciplinary Committee which was formed in 1986 under the chairmanship of the late David Okiki Amayo. That is far from the truth because the Kanu Code of Discipline, worked out and approved by the party's top policy-making body in July, 1985, still stands.

The committee was dissolved by President Moi after he detected gross abuse of power by the committee. However, ways and means of dealing with all disciplinary matters are in accordance with the Kanu Constitution, and it would be advisable for all sub-branch and national officials to acquaint themselves with the relevant provisions of the constitution so they can guide and contain trouble-makers among them.

What Mr Kamotho issued as disciplinary guidelines may not be altogether new, but it is clearly stated in the Kanu Code of Discipline that a member of Kanu who violates any rule of the Kanu constitution or abuses his position is contravening the code and risks being disciplined.

* Moi Warns Against Party Indiscipline

34000227A Nairobi KENYA TIMES in English 28 Oct 89 p 13

[Article by Charles Kulundu]

[Text] Discipline among members and officials of the ruling party has been lacking and both President Moi and Kanu Headquarters national officials have been concerned at the apparent lack of discipline and actions that are unconstitutional and could easily divide wananchi.

Early this week, during his regular meet-the-people tour of Nyandarua District, President Moi severely reprimanded the branch chairman Josiah Kimemia "for pursuing worthless politics" instead of striving to improve schools in Nyandarua.

The party President's words came out clearly at Magumu High School, Nyandarua, where he promise to re-visit next year to conduct a massive harambee meeting to raise funds for the construction of a laboratory and the improvement of other facilities at the school.

Nyandarua District is a rich farming area and wananchi require good leadership instead of the endless leadership squables. The party leader did not mince his words, going on to say that Mr Kimemia "had gone astray". Leaders, said the President, should commit themselves to development, especially in education and help wananchi improve their agricultural production.

The President's reprimand came when Mr Kimemia was still enjoying the glory of a presidential appointment as Environment and Natural Resources Assistant Minister. He was, however, dropped last Tuesday morning as President Moi made a mini-reshuffle of his Assistant Ministers. The Member of Parliament for Kipipiri, Mr James Kabingu Muregi, was appointed in Mr Kimemia's place. Mr Muregi hails from Nyandarua.

President Moi also reappointed two former Assistant Minister whom he had dismissed, a move which was seen as an acknowledgement that the two had mended their ways and were back in the fold.

The two are Mr Francis Mwangi Thuo, the Kigumo MP and Mr Wilberforce Kisiero, the MP [Member of Parliament] for Mt Elgon.

Kanu Headquarters, too issued a stern reprimand. Secretary-General, Joseph Kamotho has issued two strongly-worded statements cautioning branch officials against taking actions which are unconstitutional. He also issued party guidelines outlining the proper procedure to deal with disciplinary cases within the branches and sub-branches.

Said Mr Kamotho: "The writing is on the wall. Kanu Headquarters will not spare anybody who does not toe the party line on matters of discipline," he said.

* Moi Praises Armed Forces for Discipline

34000227B Nairobi KENYA TIMES in English 3 Nov 89 p 3

[Text] President Moi yesterday praised Kenya's armed forces for their high level of discipline which, he said, had given the country a good reputation internationally.

The President added that the respectful disposition shown by individual members of our armed forces was recognized by the wananchi.

President Moi, who is also the Commander-in-Chief of the Armed Forces of Kenya, was speaking at Moi Barracks, Eldoret where he presided over a passing-out parade of armed forces recruits.

The President pointed out that Keny was especially honored by the United Nations' request to contribute a large number of armed forces personnel, as well as a police force, to be part of the United Nations Transitional Assistance Group, UNTAG, in Namibia.

Kenya, he said, had also sent a team of election supervisors and other personnel to Namibia at the request of the United Nations.

The Kenyan team is assisting in Namibia's first general elections scheduled to take place this month under the auspices of the United Nations.

Saying that he had not received any complaint about the team in Namibia, President Moi noted that their good work will earn Kenya more respect.

The President thanked the Chief of General Staff, General Mahmoud Mohamed, who was present at the passing-out parade, and other senior officials in the armed forces, for maintaining a disciplined force which Kenyans were proud of.

President Moi said the Government was doing everything possible to improve the welfare of the members of the armed forces and cited the aspect of housing, among others.

The President advised those who join the armed forces to have the objective of serving longer instead of opting to retire early, adding that endurance was vital in the career of a soldier.

President Moi further advised individual members of the armed forces to seek God's guidance in order to serve better.

As the armed forces continues to expand, the President said, its activities will cover more areas of national importance.

He said the Engineering Battalion of the Kenya Army would also expand its operations.

President Moi pointed out that the personnel from the Kenya Army, the National Youth Service and some other institutions will soon be called upon to combine efforts in constructing a water dam along Ewaso-Nyiro River.

* Moi Names 15 To Investigate Tea Industry

* Restructuring of Authority

34000210 Nairobi KENYA TIMES in English 17 Oct 89 pp 1, 2

[Article by Jeremiah Aurah: "Vahihu To Steer the Industry's Reshaping"]

[Text] President Moi yesterday appointed a 15-man committee to study and then restructure the Kenya Tea Development Authority (KTDA).

He said the authority had suffered from certain weaknesses and irregularities in its operations which required investigations so as to streamline the industry.

The committee, whose chairman is to be Mr Eliud M. Mahihu, is required to examine a wide range of issues in the authority and submit its report to the President in a month's time.

The other members of the committee are: Mr Mark Too, Mr Fred Wafula, Mr Francis Maina, Mr Julius Muthamia, Mr I. Cheluget, Mr Peter Benson, Mr Peter Brian, Mr Joel Gatungo, Mr Eliud Kihara, Mr Akich Okola, Mr S. P. Ram, Mr J. Obati, Mr E. K. Adagala (secretary) and Mr E. N. Birich (assistant secretary).

Their terms of reference include to examine the legal framework of the industry with particular reference to the authority and the Tea Board of Kenya and recommend amendments for better management.

It will go through the authority's headquarters and its field operations with a toothcomb and recommend improvements for efficiency in the small-holder industry.

It will look into the KTDA's current memoranda and articles of association with KTDA tea factory companies and recommend how best to enhance farmers participation and efficiency in the running of the factories.

The committee will investigate mismanagement and irregularities and recommend remedial measures. It will study its financial structure and the accounting systems and prescribe improvement measures.

Mr Mahihu, who is also the chairman of the Tea Board of Kenya, will steer the committee in examining the existing procurement and disposal of assets and the tendering procedures and make recommendations.

The men will examine the authority's organisation, management and staffing structure and make recommendations for efficient management.

The organisation and strategies employed in the marketing of small-holder tea in relation to Kenya's marketing system will be studied to cater for the local market, the export market, and the possible development of value-added tea marketing.

The appointment comes six days after the Parliamentary Group of the ruling Kenya African National Union (Kanu), chaired by President Moi, called for new legislation to streamline the tea industry.

Announcing the names yesterday, President Moi observed that, with the establishment of the KTDA in 1964, the small-holder sector had grown manifold and now had 156,000 growers cultivating the 56,546 hectares.

He observed: "In spite of this growth in the size and scope of operations, no major review of the industry, particularly of the small-holder sector, has been done."

The President said a review initiated in January, 1989, whose initial report had been presented in May, 1989, had indicated weaknesses and irregularities in the KTDA.

He recounted that the small-holder sector in the industry had contributed 52 percent of the total tea and 53 percent in total revenue earnings to the industry by the end of last year.

Last Wednesday, the Parliamentary Group [PG] expressed dissatisfaction at the present Tea Act and recommended changes to make it serve farmers better.

The PG recommended that Government officials be seconded to the KTDA to supervise production and marketing and ensure the farmers reap maximum profits from their sweat.

The KTDA has been embroiled in controversy since last November, when farmers in Kakamega, Nandi, Kisii and Kericho complained against being paid only 40 cents a kilo of the green leaf, while their counterparts in regions East of the Rift Valley were being paid about 14 times more.

As a result, the "underpaid" farmers threatened to uproot their crops unless the "pay gap" was sealed. The threat was contained by the Minister for Agriculture, Mr Elijah Mwangale, who intervened and ordered that the farmers be refunded Sh 52 million deducted from their pay to meet the collection and transport costs.

Even before then, President Moi expressed dissatisfaction with the way farmers' problems were handled by the KTDA.

In the middle of May, 1989, he directed that the KTDA be run by producers, noting that the authority had been crippled by management problems which frustrated farmers after they had delivered their produce.

Tea is one of Kenya's leading foreign exchange earners. The industry was introduced in Kenya in 1903. Ever since it has experienced tremendous growth.

Apart from the delay in paying farmers, the KTDA was last June involved in irregular importation of fertilisers worth Sh 100 million from Europe.

But late last month, the authority said it had set up a committee to curb irregularities in the management's framework.

* Needs Ignored 'Too Long'

*34000210 Nairobi KENYA TIMES in English
20 Oct 89 p 6*

[Editorial: "Tea Farmers' Needs Ignored for Too Long"]

[Text] Indications at the Kenya Tea Development Authority [KTDA] this year show that like many of the other state corporations that have collapsed, the organisation might be headed for trouble.

First were the bitter complaints by farmers from Nandi, Kakamega, Kericho and Kisii that they were being paid less by the Authority for their tea which was of the same amount as that delivered by their counterparts from other parts of the country.

But perhaps the best evidence that things were not well within the authority arose when it was caught up in a scandal involving a Sh 100-million deal in relation to the procurement of fertilisers through irregular means.

And even with the replacement of Mr Simon Kamuyu with Mr Ezekiel Wanjama over a series of accusations related to the fertiliser purchases, the Authority has still not streamlined its operations. This has now culminated in the appointment of a 15-member committee by President Moi to recommend ways of restructuring the Authority.

Of late it has been argued that because of irregularities within the Authority, coupled with the deplorable state of rural access roads, farmers have been denied maximum profit. Such problems are most evident during the rainy season when the minor roads that lead out of the tea farms are impassable, forcing farmers to go through the agony of resorting to hired porters to transport the tea to more accessible points.

In spite of all the efforts put into ensuring that the tea reaches the main roads, the KTDA has still reflected a high degree of inefficiency by either collecting the leaves too late or not collecting them at all, making farmers lost profit at the rate of about 30 percent.

Faced with such hardships, and considering that the farmers have to pay workers, buy fertilisers and also pay cess, it is no wonder that some of them become so lethargic that they opt for other more lucrative and less taxing types of farming, much to the detriment of the tea industry.

It was only early this year that a big ques. mark stood hovering over the quality of Kenyan tea at the world market, with some customers threatening to buy their countries' needs from other sources.

The slump that followed ended up being an embarrassment, given the high priority we give our agricultural sector, which is the main pillar of our economy.

With the expected recommendations of the probe committee, it is hoped that the KTDA will be saved from imminent collapse.

However, solutions should also be sought outside the framework of the Authority. Most disturbing of all to the farmers is the poor state of the roads leading to the farms. Unless something is done to enable speedy delivery of this highly perishable crop, the loss of millions of shillings is risked because of tea leaves rotting, factory closures and farmers losing interest.

The Ministry of Transport and Communications, along with the Ministry of Agriculture, should give serious thought to these crucial sector of national development.

It is equally important that the KTDA, once it is revamped, becomes more active in searching for potential markets for our tea. Some of the extra money made this way could be diverted to make some of these rural roads more accessible.

* Editorial Urges More Funding for Research

*34000211 Nairobi KENYA TIMES in English
12 Oct 89 p 6*

[Text] There is no doubt in modern life about the role played by research in translating ideas into useful goods and services for mankind. The wonders of technology have, on the other hand, helped man process and utilise the abundant resources at his disposal. Countries where research has been accorded the priority it deserves—through well laid out and well defined policies—have attained faster and higher development.

In Kenya, the post-independence era has been characterised by dwindling research support, especially concerning the fiscal policy. But, this is no more. Fresh impetus has been propelled by President Moi in the last few years. The latest of his tireless efforts at research development was his recent announcement that research would be allocated money in the next financial year.

The government so far uses only 0.51 percent of the Gross National Product (GNP) to finance research while these efforts are supplemented by the private sector through minimal contribution. In effect, the desired impact on national development is not felt.

In spite of this major constraint, no one, especially in the private sector, can deny the benefits of research in various fields. One area that is worth mentioning is agriculture where, specifically, notable progress has been made in seed improvement, water harnessing and harvesting techniques, not to mention soil improvement through the Kenya Agricultural Research Institute (KARI). But still ultimate solutions have yet to be found to problems such as the pest menace, poor crop quality and the dangers posed by chemical farm inputs purchased from industrialised countries.

To mitigate these problems there is a need for deeper understanding of the underlying facts through systematic research. In the area of medicine, similarly, man still continues to be ravaged by terminal diseases whose mysteries have persistently clouded the progress made

here. We still also have to ascertain empirically the truth about certain old traditional beliefs in the curative properties of certain herbs and animal substances to make them more useful for society.

These are some of the problems that have led to our perpetual indebtedness to richer nations, and unless we are able to make optimum use of the abundant raw materials we can easily obtain, our status as net receivers of foreign aid might persist for a longer time than we expect.

The amount of effort and support injected into research will also, of course, be directly related to the amount of power we are able to wield at the international level while marketing our findings.

With the setting up of the University Research Fund by the president in 1987 to cater for the four national universities, it was widely expected that this would be a definite source of marketable ideas. Many of us are still waiting to see our markets flourish with ideas generated from these springs of knowledge.

Kenya has in the past witnessed the collapse of projects that have been started without proper research. Guidelines on how to ensure that such projects are completed successfully could also be generated from our own universities.

But, as pointed out earlier, a scientific and technological revolution requires more than moral support and the limited funding it is currently getting from the 5-Year Plan. Since the private sector is one of the greatest beneficiaries of research findings, this sector should be in the forefront in helping the government overcome some of these constraints.

On the other hand, the government should consider seriously the discontent that continues among researchers who have to wait for years for their inventions to be patented, hence risking the chances of a brain drain. Lack of equipment and a reward system for researchers must be addressed as well.

* French Survey Suggests Gold Deposits

34000226A Nairobi DAILY NATION in English 14 Oct 89 p 4

[Article by Seneiya Waiganjo]

[Text] The Commissioner for Mines and Geology, Mr C. Y. Owayo, yesterday said prospects for gold in Kerio Valley are promising.

Mr Owayo said this while receiving a report on the first phase of the airborne survey of the area done by a French geological firm.

He said the survey, just completed by the Bureau Recherche Geologique et Miniere, a French scientific and research institute revealed that in some parts of the valley, there were good opportunities for gold and uranium, thorium, fluorite traces.

At the same time, a senior geologist Mr Joshua Maneno revealed that 1,600 samples of soil taken from the valley showed that there were about 200 parts per million of gold in some of them, which is considered to be "very high".

The project, which cost the French side four million French francs and the Kenya side K 550,000 took about nine months to complete.

Mr Owayo, added that a second survey of the valley would soon be underway and that the first phase has served very well to assess and explore mineral resources of the area especially gold in the Greenstone belt, and also to explore for base metals.

Mr Jacque Testard, a French Geologist who gave details of the first phase of the survey handed the draft of the survey to Mr Owayo saying he was "very encouraged with the findings".

The French geologists and geophysicists arrived in Kenya in June 1988, and fieldwork started in September 1988 after a compilation period in Nairobi. A French chemist also came in March 1989 to install and demonstrate the working of laboratory equipment which was donated by the French Government.

* Energy Production Boosted To Meet Demand

34000226B Nairobi DAILY NATION in English 30 Oct 89 p 10

[Text] The Ministry of Energy Permanent Secretary, Mr Crispus Mutitu, said yesterday that the Mombasa-based Kenya Petroleum Refineries had stepped its production from 3,000 tons to 8,000 tons a week to ensure the availability of all petroleum products in the country.

On the production of liquid petroleum gas (LPG), commonly known as cooking gas, the PS [Permanent Secretary] said its production had been stepped up from 50 to 100 tons a day, a capacity he said was far beyond the daily consumption of 65 tons a day.

Mr Mutitu who was accompanied by the chairman of the board of KPRL, Mr Fred Ondieki, the managing director of the Kenya Pipeline Company, Mr William Mbote and the KPRL general manager, Mr David Kite, appealed to the oil marketing companies to ensure their distribution system was effective for the products to reach all upcountry consumers both industry and home.

He said the ministry had discussed with the Kenya Railways on transportation to ensure that enough wagons were available to ferry petroleum products to upcountry destinations from Mombasa as speedily as possible.

Mr Mutitu said the Government was determined to ensure there was no shortage of any of the petroleum products as this hampered national productivity in general.

* Egypt Seeking New Trade Links

34000223A Nairobi DAILY NATION in English 28 Oct 89 p 11

[Article by Peter Warutere]

[Text] Egyptian businessmen are seeking stronger trade links with their Kenyan counterparts in an effort to increase the volume of trade between the two African states.

The head of a three-man Egyptian trade mission in Nairobi, attending a session of the African Development Bank president's round table of businessmen in Nairobi, Mr Said Ahmed El-Tawil, told the NATION that Kenya and Egypt could greatly improve their exchange in goods and services by exploring potential areas of trade.

Mr El-Tawil, who is also the chairman of the Egyptian Businessmen's Association (EBA), said that the current volume of trade valued at just over US $10 million (over Sh200 million) between the two countries was highly in Kenya's favour.

Last year, he said, the two countries exchanged goods valued at $11 million, the largest proportion of which comprised Kenya's exports to Egypt.

He said that the base of trade betweeen the two countries was very narrow considering that tea alone accounted for 85 percent of Kenya's exports to Egypt.

Other Kenyan exports to Egypt include coffee and hides and skins but Mr El-Tawil felt that a lot more could be added to this short list.

On the other hand, he said, Kenya could import a wide range of goods from Egypt, including engineering goods, ready made garments, cosmetics and chemicals.

Kenya is already importing aluminum from Egypt and is soon likely to start importing various pharmaceutical products.

He said that Egypt had developed very strong small and medium industries, some of which were manufacturing specifically for export to Europe, Arab countries and other parts of the world.

Asked what incentives the export industries were given by the government, Mr El-Tawil said the industries were given tax rebates and allowed to retain the foreign exchange they generated from exports for purchasing their inputs and raw materials.

Some industries were allowed to retain the entire amount of foreign exchange generated from their operations while others were required to submit part of it to the government depending on their needs, he said.

In addition to fostering stronger trade links, Kenyan and Egyptian businessmen could also explore possibilities of joint venture investments and transfer of technology, said another member of the mission, Dr Adel Gazarin.

Dr Gazarin is the chairman of the Egyptian Federation of Industries and also a board member of EBA. He was recently elected the chairman of the 21-member states Pan African Employers Organisation during its last meeting in Lagos, Nigeria.

Mr El Tawil said stronger trade links between Kenya and Egypt would facilitate the promotion of intra-African trade.

* Country Named AIDS Research Center

34000223B Nairobi DAILY NATION in English 8 Nov 89 p 5

[Article by Emman Omari: "Kenya Chosen by WHO"]

[Text] The Minister for Health, Mr Mwai Kibaki, yesterday said Kenya has been chosen by the World Health Organisation (WHO) as a centre coordinating research into the cure of the dreaded Acquired Immune Deficiency Syndrome (AIDS).

The minister said the Kenya Medical Research Institute (Kemri) was chosen as a regional centre because of its facilities and qualified doctors.

Mr Kibaki said this while answering questions on the Voice of Kenya's (VOK) Press Conference programme last night.

He told a panel of journalists that Kenya reports AIDS cases to WHO appropriately because "we do not want to hide anything."

The minister said there were now over 6,000 confirmed AIDS cases in Kenya.

He said his ministry was now setting aside wards in every provincial hospital including Kenyatta National Hospital for AIDS victims.

"Isolation does not mean they will be taken to remote places. It means putting them in separate wards where they can be looked after by more qualified staff," he said.

Mr Kibaki, who spoke on a wide range of subjects, said the ministry was now discussing with the nurses association about a recent request by nurses for special wear and allowance to those who looked after AIDS victims.

On the subject of cost-sharing, set to begin next month, he said it would improve services in all hospitals.

Patients will be required to pay a fee whose amount will depend on the service given. The cost sharing will start on 1 December.

Mr Kibaki allayed fears that the introduction of cost-sharing would deny some Kenyans medical treatment.

He said the dispensaries would continue to provide free services. Those that will charge fees will be run by a local board, he said.

The local boards would ensure that desperate cases got free medical services.

"What we are saying is that we have expanded so much that we no longer can continue to shoulder everything. The communities should come in to help run the services," he said.

The money collected would be used by the hospitals and the boards would be accountable for its use, he stressed.

The minister said more clinics would be built to cater for mental patients. He said that in addition to Mathari mental hospital there was another at Gilgil which was being expanded.

Mr Kibaki said the ministry would increase the number of medical personnel through training which was currently inversely proportional to health requirements.

He said a new medical school would soon be opened at Moi University, Eldoret, to supplement that of the University of Nairobi.

* UK Provides Foreign Exchange Grant

34000222A Nairobi DAILY NATION in English 28 Oct 89 p 28

[Text] The British Government will give Kenya a grant of 10 million as foreign exchange to ease business transactions, involving importation of British goods.

This was said on Thursday by the First Secretary in the British High Commission's office in Nairobi, Mr S. W. Sindon.

Mr Sindon said the grant would be released early next year to ease the problem of foreign exchange for businessmen importing British goods.

He was addressing a seminar for 60 businessmen drawn from Nyanza and Western provinces at Kisumu's Imperial Hotel.

Mr Sindon praised the existing good relations between the two countries and assured Kenyans that his country would continue helping Kenya as much as it could.

Mr Sindon said that there were many British investors in Kenya because the British Government had confidence in the country.

He said all British investments in Kenya were now valued at 1,000 million, which proved that Britain was a good friend of Kenya's.

Mr Sindon advised Kenyans who wanted to export their commodities to Britain to go to the Ministry of Commerce for assistance.

The Secretary said that the British Government could not tell investors to come to Kenya. It was up to them to decide whether the business climate was favorable, he said.

The seminar participants wanted to know why the British Government was not keen in investing in Nyanza and Western provinces.

They claimed that the British had concentrated their investments in Nairobi and its suburbs, after being influenced by some prominent leaders.

Meanwhile, the Nyanza Provincial Commissioner [PC], Mr Julius Kobia, said yesterday that the European Economic Community had given Kenya Sh21,444,995 to aid various projects in the province.

Mr Kobia said since the programme was launched in 1978/79, it had faced various implementation and management problems, which he hoped would be overcome soon.

The PC said political pressure, lack of co-ordination and proper management between Government officers and project committees had caused delays and misdirection of funds from the EEC.

* Belgium Boosts Aid to Rural Projects

34000222B Nairobi DAILY NATION in English 7 Nov 89 p 11

[Text] Belgium will add Sh86.6 million to Sh71m aid the country has already committed to Kenya, an Assistant Minister in the Office of the Vice-President and Ministry of Finance, Mr Nduati Kariuki, said yesterday.

He said the money would be spent on projects in rural areas within the next three years under the Special Programme for Africa.

The money was committed following a meeting of Kenyan and Belgian officials in Brussels recently. The Assistant Minister led the Kenyan delegation to Brussels.

In a press statement issued by Mr Kariuki yesterday, the Belgian Minister of Development Co-operation, Mr A. Greens, is quoted as having commended President Moi and the Kenya Government for the diligent efforts which the Government was making to turn Kenya into an increasingly prosperous and open society.

Speaking during the signing ceremony for the Belgium-Kenya Joint Commission on Development agreement, Mr Greens was quoted as saying that the relationship between Kenya and Belgium had grown since the first agreement was signed in 1985.

Mr Kariuki on his part thanked the Belgian Government for its assistance and goodwill to Kenya and especially for the recent gesture by Belgium which wrote off Kenya's 225 million Belgian Francs debt.

Benin

* Rights for Muzzled Press To Publish Advocated

*90EF0099A Cotonou EHUZU in French
13 Nov 89 pp 1, 3, 12*

[Commentary by Maurice Chabi: "The Private Press in Benin: a Fall or the End?"]

[Text] Late in the evening of 4 October came the news that LA GAZETTE DU GOLFE had been shut down, affecting journalists first, then the public with full force. Ismael Soumanou's bimonthly publication knew that it had been given a reprieve. Ever since early September, when the next to the last issue appeared with a front page story that was an "unauthorized" opinion poll on the popularity ratings of the members of the new government, Ousmane Batoko, the Minister of Culture, Youth, and Sports (who had known about the poll but had not expressed his opinion), was not pleased and made this known. Other political notables, who also thought such a poll premature for a public not deemed by them to be mature, also gave signs of disapproval. Even Martin Dohou Azonhiho, although he came out at the top of the poll, did not appreciate the undertaking, which could lead public opinion, thus misconstruing those pernicious souls who might think that the poll's main beneficiary had manipulated it through television so he could claim the lion's share. One might just as well say that every evidence of guilt had been gathered to shut down LA GAZETTE [DU GOLFE] for good.

However, Batoko chose to put the sword of Damocles back in its sheath and wait patiently at the crossroads for the game which, in any event, would eventually fall into his trap.

This is what happened when the next issue appeared and went on sale. The verdict came down harder than could have been expected, and it was final: "Publication of LA GAZETTE [DU GOLFE] is suspended until further notice."

Public opinion took note immediately and wondered about the reasons for this sanction, the popularity of whose target had helped the spread of the news beyond Benin's borders.

For some, LA GAZETTE DU GOLFE had been closed down for failing to submit its articles to the national censorship commission. The commission's head of publishing vigorously denies this. For others, the government's decision came in response to a number of complaints made by certain friendly countries, which had been put on the spot by two articles about the influence of marabout practices on politics in Africa and the failed coup d'etat in Burkina Faso.

Were people making calculations, were these rumors, or was this the truth? No one could say. Because today, putting aside the reasons adduced in the government's communique in clear political language, but language that is not always grasped by those not in the know, it is difficult to precisely enumerate who did the accusing that led to the trashing of Ismael Soumanou's paper.

So what is the next step?

Should the press and the government face off against one another? No. When you are a fledgling newspaper developing in a political environment that is more hostile than it is favorable, it is wiser to let down your guard, bear the rap, and fall back, the better to leap ahead.

This, in any event, was the course chosen by the Beninese Journalists Association (AJB) on 16 October, when, upon learning of the story, it dispatched two of its officers to the office of the information minister to negotiate the lifting of the order affecting their colleague.

Minister Batoko, while stating he was very moved by this gesture, nevertheless, castigated the "irresponsible" behavior of those who ran LA GAZETTE DU GOLFE who, in his opinion, refused to play by the rules. However, he added, "I am still willing to look kindly on a request for clemency on behalf of your colleague."

So all indications are that the government's decision is not irreversible and that what we have in this instance is only a punitive measure to tweak a naughty child's ear. Besides, this hunch was confirmed several days later by President Kerekou in an interview that he granted JEUNE AFRIQUE on 4 November. To Francis Kpatinde, who was arguing in his way for a lifting of the order by looking for some kindness from the political authorities, the chief of state replied that this was a shutdown order and not a total ban.

But, as they wait for things to settle down, what is happening to the other local private newspapers?

It would appear that LE QUOTIDIEN [THE DAILY], which has not been that for a long time, has also been the target of a shutdown order (though of a less dramatic variety) for publishing articles that were of a cultural level somewhat unbefitting Africa's former Latin Quarter. Soton Moulero will doubtless return to his school desk for some self-improvement and to give his "daily" newspaper a more stylized way of writing.

In the meantime, at every possible occasion, Dean Megnanssan's LA RECADE continues to fail in the most meritorious way. The weekly TAM-TAM EXPRESS, after having raised many hopes, has retreated back into a silence that is as puzzling as it is mysterious. Officially Denis Hodonou's newspaper closed its doors from 14 September to 15 October for vacation. But two months have gone by since then and readers are still waiting for the weekly publication which, after a well-deserved month's rest, has doubtless forgotten to restart. Unless, as rumor already has it, what we have here is a demonstration of support on behalf of a colleague who has been shut down. This would be a most personal and novel way to thank readers for being so faithful.

As for the ECO-MAGAZINE group, it seems to stay above the crowd and on the sidelines of the jolts convulsing the Beninese mass media scene. True to form, Kouessan Djagoue's newspaper continues its skillful handling of subjects using highly colorful journalism. In addition to the two wild and much relished human interest stories recounted in its latest issue; one about the famous da Silveira-Tevoedire couple and the other about Mr Albert Tevoedire, the director of the Panafrican Social Science Forecasting Center in Porto Novo; the monthly ECO-MAGAZINE has had fun railing at Saibou Agbantou, the president of the Beninese chapter of the Association of African Jurists (AAJ); whose local chapter has been likened to an underground political party. This is undoubtedly excess sensationalism because the Beninese lawyer, when queried on the subject, sees in these allegations the result of some sordid machination. Because, as he puts it, the Beninese chapter of the AAJ, of which he is the president, is and remains a movement to defend human rights that has no connection, either close or remote, to any political party whatsoever. In the last analysis, everything portends the imminent return of private press activity in Benin. The turbulences of recent months seem to be more of a fall and not an end. LA GAZETTE DU GOLFE will come back after its accidental tumble and TAM-TAM EXPRESS will return from its long vacation for the greater public good as well as that of the political authorities who, it must be acknowledged, were really starting to miss the Beninese private press; even if no one dares say so aloud.

* Decree To Liberalize Agriculture Trade Issued

90EF0099B Cotonou EHUZU in French 14 Nov 89 p 4

[Decree No 88-423 of the Ministry of Rural Development and Cooperatives of the People's Republic of Benin, issued 28 September 1988, on the Organization of the Agriculture Trade]

[Text] The success of the Structural Adjustment Program, and, in particular, the success of private financial operations in the agricultural sector, requires the participation of every Beninese in the national recovery effort.

Decree No 88-423 of 28 September 1988, on the organization of the agriculture trade in the People's Republic of Benin, is a response to the spirit of this new policy. By this decree, trade in products, with the exception of cotton, is opened to all businessmen in possession of a professional agricultural produce purchaser's and dealer's card. It goes without saying that this liberalization carries with it certain obligations.

The liberalization of the agriculture trade will certainly bring about a reinvigoration of the "production-distribution" system and thus an intensification of market transactions. However, this intensification will depend on the law of supply and demand.

Beyond this immediate consequence, and with the assurance that there will be outlets, growers will increase their production and this will be traded on the various markets.

More than was the case in the past, these markets will bring together growers and a greater number of buyers, that is, dealers, middlemen, and local consumers. The liberalization of the agriculture trade should not bring about the random interference of businessmen. This liberalization carries with it the rights and duties for all parties, in particular for buyers and traders of agricultural products.

Henceforth, the latter can conduct all transactions relating to the agriculture trade, both industrial and food. They can amass the funds needed to make purchases and to build up stocks.

Buyers of agricultural products have the right to ensure the distribution and sale of these products within the country, whereas traders registered with the Ministry of Commerce, Crafts, and Tourism may export agricultural products to the countries of their choice.

To exercise the profession of buyer and trader, one must accept and strictly respect the rules drawn up for this purpose in the public interest by the authorities.

In the area of marketing agricultural products, one of the main parties that businessmen will deal with remains the agent of the Supervisory Product Packaging Board, who is the only person empowered to enforce the rules now in effect with respect to promoting our agricultural resources.

The work of the packaging agents is covered by legal texts having the force of law. Compared with these texts, the obligations incumbent on businessmen are of various sorts. The main obligations may be summarized as follows:

- Means of gaining access to markets
- Means of marketing products
- Honesty in trade

Guaranteeing Fair Market Quality

Access by businessmen to markets is linked to the ownership of the buyer or dealer of an agricultural products card and to ownership of the weights and measures card stamped for the current year.

The professional buyer's and dealer's card is issued by the provincial directors of commerce, crafts, and tourism (DP/CAT) in accordance with the terms of Decree No 87-351 of 23 October 1987.

Periodic checking of weighing and measuring equipment (scales of various sorts) will ascertain their accuracy, sensitivity, and correctness. This check will occur annually and be carried out by the Weights and Measures Quality Board (DQIM) of the Ministry of Commerce, Crafts, and Tourism.

These checks apply essentially to the conditions under which the marketing and the buying processes of different products are transacted.

The conditions under which marketing is transacted are studied by an ad hoc commission comprised by representatives of the business community and will be set each year by decrees.

For each product these decrees will set the starting and closing dates for marketing and the minimum purchase prices to the producer. The decrees will also stipulate that private businessmen are obliged to supply local processing industries as a top priority.

In the matter of transacting purchases, businessmen must conduct their business in the presence of packaging agents to guarantee the fair market quality of their products.

The performance [of the duties] of said agents thus carries with it the payment of verification or assessment taxes in accordance with Law 87-008 of 21 September 1987.

Maintaining the Quality Label for Beninese Agricultural Products

For some time now, the implementation and enforcement of a product normalization policy in Benin has made getting these products onto the international market somewhat easier. This is linked to the fact that state-owned businesses that used to have the monopoly on exports abided by the rules that were in effect relative to business transactions and product quality control.

Indeed, beyond keeping production costs at a minimum level, product quality emerges as the basic element ensuring their competitiveness on foreign markets.

In the context of liberalizing the agriculture trade, private businessmen will play a larger role, and it should be obvious that they must demonstrate attentiveness and honesty as they conduct business in order to maintain and consolidate the quality label for Beninese agricultural products. Concern to do so should lead to the following procedures and avoiding violations.

In addition to the violations possibly arising from market access methods and product marketing, the following points should also be noted:

- Failure to declare or making a false declaration of stock
- Deception by any means or method whatsoever
- Falsifying a product by any unauthorized process whatsoever
- The selling or putting up for sale of tainted products
- Refusal to provide or hiding documents giving information on product quality
- Fraudulently exercising the profession of agricultural product buyer and trader
- Exercise of the profession by any person who has not renewed his professional card
- The use by a third party of a professional card belonging to somebody else
- Exporting and importing agricultural products not in conformity with the provisions of the regulations in effect.

It may be noted that exercising the profession of buyer and dealer in agricultural products requires a good knowledge of the laws regulating this business.

In this regard, it is recommended that any persons interested in these activities contact the Product Packaging Supervision Board and the appropriate boards at the Ministry of Commerce, Crafts, and Tourism.

This decree on the organization and liberalization of the agriculture trade in the People's Republic of Benin opens up new opportunities. Efficiently implementing it and scrupulously abiding by its rules should allow private businessmen to preserve their legitimate interests and derive certain benefits thereby.

Nigeria

* Government Set To Relinquish Power in 1992

34000252C Lagos DAILY TIMES in English 29 Nov 89 pp 1, 14

[Article by Odafe Othihiwa: "1992: No Going Back—Aikhomu"]

[Text] The deadline for the handover of power by the Army to an elected civilian administration in 1992 is irrevocable, the Chief of General Staff, Vice Admiral Augustus Aikhomu, has assured.

Admiral Aikhomu told media executives at a Press briefing in Lagos yesterday that the present administration has no intention of staying in power beyond October 1, 1992.

The administration, he said "has programmed to hand over the baton of political governance of this country to a democratically elected government in 1992 in accordance with its transition programme. While the transition calendar may be revised due to administrative and logistic reasons, the 1992 deadline for the hand over to civil rule is irrevocable", he said.

The Chief of General Staff said to demonstrate its resolve and in line with the transition to civil rule programme of the Federal Government, there has been some conscious efforts to lay a solid administrative foundation for the state and national assembly legislatures of the Third Republic to ensure a stable republic and an enduring democratic practice in the body politic of this great country.

Vice-Admiral Aikhomu announced that the Federal Government early this year established the National Assembly Provisional Office (NAPO) to serve as a veritable apparatus of the national and state assemblies.

He said staff requirements of both the state and the national assemblies were being recruited, while necessary training and orientation courses were being vigorously intensified by the presidency in collaboration with the Administrative Staff College of Nigeria (ASCON), Badagry, and the management service and training department of the Federal Civil Service Commission.

Also, he said various training programmes have been mounted for various categories of staff, both junior and senior and for the assemblies.

He said the training programmes were designed to cater for the initial manpower requirement necessary for a smooth take-off of the assemblies.

The Chief of Staff said the Federal Government proposes to send the clerks designate and legal draftsmen of both the state and national assemblies on attachment studies to receive practical exposure in legislative practices and procedures.

He assured that the Federal Government would give maximum moral and financial assistance to all state governments, especially the new ones that are in the process of constructing and equipping their legislative buildings and other legislative requirements as a way of laying a solid foundation for a stable Third Republic.

* Issues Confronting Government Parties Analyzed

34000255A Lagos THE NIGERIAN ECONOMIST in English 13 Nov 89 pp 6-9

[Text] On October 7, President Ibrahim Babangida finally laid to rest speculations about the course of the remaining part of the transition programme. While he was emphatic that the Federal Military Government would not stay beyond 1992, he also insisted that the government was not going to be stampeded into handing over power to the wrong people. All 13 associations, six of which the National Electoral Commission (NEC) had reluctantly recommended to the Armed Forces Ruling Council (AFRC) for consideration, were, therefore, disbanded for being unfit to serve the interests of the Third Republic. According to NEC and the President, the associations were still living in the past, could not be roused by the present and would have been irrelevant to the future.

In various fora, the president had warned that the government would not be handed over to extremists, politicians strung on money calculus or surrogates whose brains were on automatic pilot. Alas, when the ban on politics was lifted in May this year, politicians showed the plummage of the Second Republic and made what could hardly pass as an effort to conceal their links with Second Republic politicians and politicking. It was as if the parties of 1979 were fielding their Second Eleven in 1989. But 10 years was hardly enough to stupefy a whole nation still on the throes of the damage the extravaganza of the Second Republic caused.

More pointedly, in refusing to grant any of the six associations—PSP [People's Solidarity Party], NNC [Nigerian National Congress], PFN [People's Front of Nigeria], LC [Liberal Convention], LP [Labor Party] and RPN [Republican Party of Nigeria]—recognition, the President said they were guilty of maintaining old lines of ethnic, geo-political, religious and class cleavages; were not grassroots oriented, still espoused thuggery, were rent by intra-party disputes and above all jumped the gun. According to the AFRC, some of the associations' leaders failed to get NEC clearance, declare their assets or disclose sources of party funds. In many instances too, the associations, risking outright disqualifications, flouted other NEC guidelines by fiddling with their membership lists. Apparently short on time, the associations simply filled their lists with fictitious names. An intriguing question which neither NEC nor the President answered was why NEC included LP and RPN in the list of associations submitted to the AFRC for consideration. The two associations, one a little to the left and the other a little to the right of centre, scored ridiculously low points of 17 per cent each which combined together managed to equal the mark of the last of the top four associations, the LC. There was a message in that inclusion, but what was it?

When the shock wears off and the applause dies down, Nigerians may want to consider a few details. No one faced with the NEC report still doubts that the associations were guilty of the sins counted against them. They inflated membership lists, some were surrogates, others simply threw themselves at the mercy of the affluent, while the rest were either too inept at elementary organisation or clearly and openly exploited the political networks left by the glamour men of the Second Republic. But the point is, given the NEC time schedule of two months and the other quite unrealistic details, could the associations have done otherwise or perform differently?

More specifically, could the associations in the two months time limit they were given meet such NEC requirements as opening offices in all 453 local government areas of the country, equip and run them with qualified administrative secretaries, accountants, auditors, librarians and archivists, publicity officers and a host of other junior officers? In the same time limit, the associations were to, among other things, prepare their manifestos and constitutions and print 25 copies of their list of members in the 5,024 wards in the country, complete with passport photographs. In other words, in two months, the associations were to canvass for support and mobilize supporters through the newspapers and the more laborious method of face-to-face discussions. Some of the potential members were supposed to be made sufficiently interested in the associations to man their offices.

However, it is known that the highest circulating newspaper prints under 300,000 copies a day. What could have been indispensable to the associations, the electronic media, especially the radio, was out of bounds to

the politicians. Inevitably the cost of reaching the people went up sharply, not to talk of the time. So, in the face of these odds how realistic was it to expect that the associations would not be at the beck and call of 'moneybags'? Indeed given the fact that military interregnums arrest political recruitment, how realistic was it for NEC and the government to have insisted that the political associations could not, in view of time constraint, activate dormant political networks left by Second Republic parties? It was to beat the deadline that PSP exploited the network left by a "makeshift alliance," the NNC became a "purebred of the NPN," the PFN a 'proxy' and the LC an "association of the wealthy." The LP and RPN, two true newbreed parties which could not afford the nearly N20m it would take to meet NEC requirements performed so poorly that only RPN won a state—due, of course, to a computational error.

To prove conclusively that the associations were short-changed, the federal government's decision to found and fund the two new parties—the National Republican Convention and the Social Democratic Party [SDP]—through methods of mobilization which were denied the dissolved associations, look like unfair advantage. To mobilize the public for the two government-sponsored parties, the government is already using the electronic media. Yet, it denied the associations access to the airwaves. That decision was criticised by many including the federal government owned NEW NIGERIAN newspaper which on Monday, June 12 called on the President to lift the ban that prevented politicians from mobilizing supporters through the electronic media. Instead of the two months given to the association, the government has given itself three months to mobilize and register party members. To write yet-to-be-approved manifestos and constitutions, NEC took three weeks clear. To succeed in the entire mobilization and registration exercise, the government is going to use its 20 years experience in government, whereas the associations were not even allowed the networks of the Second Republic. Naturally, the financial resources of the Federal Republic will be put at the disposal of the NRC [Nigerian Railway Corporation] and SDP.

It is quite true and commendable that NEC carried out the verification exercise openly and without bias. If the same spirit boils over to the elections slated for the next two and a half years, then Nigeria will have broken the icon of unfair elections. Meanwhile, the NEC has become so protean in the hands of the government that there are now open allegations that the government may be suffering from collective amnesia. In the White Paper on the Political Bureau report, the government accepted in Paragraph 187(b)h that the tenure of office of the chairman and members of the NEC shall be five years in the first instance and renewable for another five years only. The first chairman, Professor Eme Awa did not spend two years before he was summarily removed. The appointment of his successor, Professor Humphrey Nwosu also violated paragraphs 186(f) of the Politburo recommendation and 187(f) of the government's acceptance that the NEC chairman should not be less than 50 years old. It was after Nwosu had been appointed and newspapers drew government attention to the fact that the new chairman was under 50 that the government quickly amended the decree setting up NEC.

A more crucial violation has occurred after the government accepted the Politburo recommendation that NEC's responsibilities shall be:

(a) recognition and registration of the two political parties;

(b) organisation and conduct of all elections;

(c) monitoring the financing of political parties and political campaigns;

(d) deciding, on the basis of prevailing circumstance, the total amount of public funds to be made available to political parties.

The violation relates to especially the first function of NEC which is to recognise and register the two parties. The AFRC usurped this function limiting NEC's involvement to one of recommending four associations. In the end, after so much unnecessary tension had been created, NEC recommended six associations. Though the government is entitled to change its position on many issues, the country could benefit more from government consistency and the country would be saved from undue bureaucratic fumblings. If the government feels compelled to change its mind, it at least owes the public an explanation. The same inconsistency surfaced when the government which earlier refused to provide a legal definition of the term Traditional Ruler in the Politburo report suddenly turned round in Part IV Section 239 of the 1989 Constitution to define who a traditional ruler is.

By foisting the dual role of organiser and judge of parties on NEC, the government has directly involved itself in this crucial part of the transition programme. There are many dangers that follow this. There is the problem of finance and logistics and the equally serious problem of blackmail. How for instance will a government which has made a fetish of its credibility as enunciated at length in the President's October 7 broadcast, escape being labelled as partisan if one of the two parties does overwhelmingly well in the elections? Would the public not say it was because of that party that the government took over the founding and funding of parties? Would the public not say the government deliberately foisted the party and its candidates on the nation? Above all could the government which has said such a fear may be unrealistic successfully disabuse the public's mind?

Of even more pressing danger is the balancing act the government is going to be called upon to do when the parties are about to present their candidates. The parties are, for a fact, now regarded as government parties. Through NEC, the government is going to supervise

elections in the parties. Since it is not certain yet at what point the government will completely hands off the parties, that is, if it will at all, who are going to be the presidential candidates for instance? If a Hausa-Yoruba combination is chosen for NRC and Yoruba-Ibo for SDP or any other credible ethnic combination for that matter, which ever ticket wins will be credited to the federal government's meddlesome manoeuvres.

The problem the arithmetic of winning tickets will create may pale to a molehill compared to the funding of the parties on the grandiose level the government is contemplating. If it took about N20m for the big associations to try to, in two months, satisfy NEC requirements, without resorting to the electronic media or translating its constitutions and manifestos into major Nigerian languages, printing and distributing same throughout Nigeria, how much will it cost the federal government which is now going to do all these and much more in three months? A fortune obviously. It should be borne in mind that the government discarded the associations partly because it says they were then on the ground at the grassroots level. Since the government parties are going to be properly organised to shame the associations, NEC requirement will in short have to be met. This means more money.

The government will furnish party buildings, pay the staff, buy, at least, five vehicles for each party at the local government level to service so many number of wards, print tonnes of documents including ID cards, manifestos, constitutions and provide for other miscellaneous expenses. Some executive members of the dissolved associations recalled how they spent millions just to keep the machinery of the association moving in spite of which they still could not get to many local governments and wards. How the government hopes to do better than the associations in these SAPped times is the great puzzle.

Without a clear allocation in last year's budget, the government is already spending close to two billion naira on erecting party offices alone. Other expenses will be incurred on the various elections proper. With the kind of polling booth the government wants to put up, it will have to award fresh contracts everytime there is an election. Yet each booth costs about N200 on the national average. Scores of thousands of these will be built in the next few years. If, according to the Babalakin report, the 1983 elections cost about N365m, at current prices, the coming elections which will be spread over two years will probably cost over three billion naira. At the end of the whole exercise, it may be computed that the social costs of the elections and government founding and funding of the parties are indefensible. For now tentative calculations by THE NIGERIAN ECONOMIST put the cost of government involvement in the parties at N2.9bn.

Closely related to the economies of government parties is the evil which the Code of Conduct Bureau has not been able to put in reins—corruption, especially official corruption. By the new arrangement, the parties are to be subjected to the influence of the civil service—in other words, bureaucratizing and by implication corrupting the political process. Nigerians know the paralysing inefficiency of the civil service and the graft without which files sometimes take roots on one table or crawl over two or three. Presumably, civil servants will be called upon to take charge of the party offices, at least for sometime, and they will be responsible for the registration of new members and carry out other related duties. Considering that moneybag politicians will be fighting their last battles in these buildings soon, it remains to be seen whether elongated salary structures can withstand the rage and desperation of the wily masters. Bear in mind that NEC and government workers will be supervising elections of party officials at ward, local government, state and national levels. And bear in mind too that the masters will be represented by their naive surrogates.

Politicians and NEC have both made their mistakes. In spite of understanding why the association had to inflate their membership lists, the act was dishonest and reprehensible. They showed the slippery characteristics that dogged their banned senior colleagues of the Second Republic when, still hoping they would be registered, they refused to seriously criticise NEC for some of its obvious defects especially in weighting of scores and computation. NEC in its scoring sheets displayed serious subjectivity in weighting associations scores in the various requirements. In many states, associations which had the highest number of members failed to run away with the first position. In a few states too, NEC's computation errors robbed associations which deserved the first position of the merit.

The government, in its eagerness to safeguard democracy has perhaps taken on too many things than it can really handle. It is for instance attempting to foist democracy on the country from above while it claims it is building it from the grassroots. In the process, what it said it would not do—impose an ideology—it has managed to do. By imposing parties, one a little to the left and the other a little to the right of centre, the government has violated its decision on the Politburo recommendation of the socialist ideology for the country. In rejecting the recommendation, the government had pleaded it did not want to impose an ideology.

Overall, what really matters is the progress and stability of this country. THE NIGERIAN ECONOMIST identifies with the government's desire to establish a virile political culture which will lead to interesting and peaceful politicking dominated by issues. The desire of all Nigerians is a political process which will allow for change when it is necessary and continuity when change is needless; a process which will enable bright and able newbreed politicians whose political and managerial acumen would keep the military in the barracks. It is this vision that had made THE NIGERIAN ECONOMIST to point out to the government that it could be biting more than it can conceivably chew. It has been shown that much as the ideal for which the government is

fighting is worthy of every Nigerian's support, it could cost a whopping fortune whose opportunity cost may prove detrimental to the long term interest of this country. Why would the government not confine itself to the role of an umpire and let the politicians loaded with money unload their stuff on the system in a well policed political environment? Why must government invest such a high sum out of the public fund for a goal it could achieve at much lesser cost?

Since the government has already committed itself to the two parties and it would be difficult to retreat abruptly, THE NIGERIAN ECONOMIST would like to suggest that the government scale down its involvement in the parties. That means NEC should disengage itself from the parties as soon as the parties adopt their constitutions and manifestos. NEC should also be returned to its original role of organising and supervising local government, state and national elections. To encumber it with more than these it to distract its attention and compound its problems. The government should also ensure that the private donor component of party funds is more than 70 percent of what the party needs.

As things stand now and as unfolding events will show, the government may find it increasingly tempting to assume control of the parties which could mean spending more than N2.9 billion. The temptation exists because even with the most stringent of guidelines on party funding the rich would still, through political surrogates, contribute to the parties much more than the guidelines will allow. The rich naturally represent various, perhaps even legitimate, interest groups. By funding parties in ways which external auditors will find difficult to detect, the rich will be telling candidates to go into congress or the state assemblies to protect or further certain interests.

Auditors, no matter how scrupulous, will find it difficult to detect unreceipted contributions of candidates to various welfare and traditional programmes in their communities. Since the kind of newbreed the government wants preclude the moneybags, who takes care of the personal expenses of candidates in their constituencies? It will therefore be futile if the government insists on assuming total or near total control for party funding. There will always be loopholes to exploit.

What the government needs to pull off a spectacular victory in this new political experience is a stricter monitoring system. It need not assume that politicians or the public are incapable of carrying out orders. If it assumes so, then the government will find itself drawn deeper into a financial quicksand, the ultimate price of failure. Worse, it would have yielded to fatalism.

* Excess Refined Oil Said Difficult To Market

34000255B Lagos THE NIGERIAN ECONOMIST in English 13 Nov 89 p 12

[Article by Abiodun Adesola: "The Trouble With Refined Oil"]

[Text] The high and fast increase in domestic socio-economic activities recorded throughout the country following the cessation of hostilities in the Nigerian civil war in 1970 was also partly responsible for causing a phenomenal increase in domestic demand for petroleum products. The level of demand was so high that between 1974 and 1975, severe shortages of petroleum products became the order of the day. Not only were shortages in those years characterised by agonisingly long queues and scenes of scrambling at the service station, the shortages posed obvious threat to the economic foundation of the country.

In 1970, about 3,745 metric tonnes of petroleum products were consumed daily. This was about 28,543 barrels of crude oil per day. By 1974, a five-year period, this had nearly doubled to 7,206 metric tonnes per day or 55,445 barrels of crude oil per day. Within another five-year period spanning 1975 and 1979, records showed that 8,657 metric tonnes of petroleum products or 66,353 barrels of crude oil were consumed daily in 1975, while 18,705 metric tonnes or 141,909 barrels of crude oil equivalent consumed daily in 1979.

It was this situation that compelled the Federal Government, acting through the NNPC [Nigerian National Petroleum Company], to further invest substantial capital to the tune of about N500 million, 1975-1978 costs, in expanding and establishing more refining facilities in the country. The first refinery in the country built at Port Harcourt with an initial capacity of 35,000 barrels per stream day (bpsd), was upgraded to 60,000 bpsd. New refineries were designed and built in Warri with a capacity of 125,000 bpsd, (commissioned in 1978), in Kaduna with a capacity for 110,000 bpsd, (commissioned in 1980) and yet another one, in Port Harcourt, with a capacity for 150,000 bpsd, (commissioned in March this year).

Based on past projected growth rate, it was envisaged that the supply situation will not meet the demand. It was consequent upon this scenario that a fourth refinery was planned and built at Port Harcourt. But due to the prevailing harsh economic climate, the expected total ouput of the four refineries, about 445,000 bpsd is now far in excess of demand, estimated at about 295,000 bpsd. The excess capacity of about 150,000 which should ordinarily offer an opportunity for making more money through the export of refined petroleum products to willing buyers is, however, bogged down by technical and logistic problems.

The occasional hiccups which manifest themselves in the form of sporadic shortages in some parts of the country have also thrown a cog in the wheel of progress of two NNPC subsidiary companies that are supposed to work together and turn the excess products into hard currency spinners for the nation. With inter-government deals stopped, Calson (Bermuda) Limited and Hyson (Nigeria) Limited, two of the four joint venture companies among the 12 subsidiary companies created by NNPC last year at the advent of its commercialisation were charged with

the duty of marketing excess petroleum products of our refineries, especially that of the fourth refinery, in the West African sub-region and elsewhere. But, equipment failures, power failure which makes pumping impossible thus forcing plant shut-downs and accidents at the refineries have made their task an impossible mission to accomplish so far. In the first half of 1986 for instance, power failures accounted for 22 percent of the problems that handicapped the full operations of the nation's refineries. Equipment failure was 10 percent, product unavailability which of course was inevitable stood at 52 percent while 16 percent of the joint refineries total problems was due to communication break-downs. The situation was bad enough that only 65 percent of the installed capacity of the refineries was utilised. At every point in time, one problem or the other continues to bog down the refineries, one after the other.

The first refinery at Port Harcourt has completely been out of use since last February when a better part of the plant was gutted by fire. THE NIGERIAN ECONOMIST gathered that efforts to repair the damaged sections are soon to begin. Calson (Bermuda) Limited in the meantime is waiting on the refineries to begin effective operations before it could hope to function. Calson will purchase crude oil from Nigeria at going official international selling price, refine its crude oil and pay for it at the fourth Port Harcourt refinery before shipping it outside the country for its international markets. The NNPC hopes to collect dividends from the company. The purchase of petroleum products from Nigeria at international going prices acts as another reliable outlet for selling Nigeria's crude oil. Besides, all services to be rendered to Calson are to be paid for in foreign exchange.

There is no hope in the shortest possible time that consumption pattern of petroleum products on the domestic scene will witness any upswing. On the contrary, the decline in consumption will continue to reign for sometime to come. It is however envisaged that while the crude oil left in the ground unproduced is good judgment, especially in an era of low crude oil prices, with a quota imposed system scenario, it will be better judgment if efforts are intensified to ensure that Nigeria's refined petroleum products are effectively delivered to the international market with minimum delay for higher prices than the crude oil would have fetched.

* Six-Year Transition Program Proving Costly

34000255C Lagos THE NIGERIAN ECONOMIST in English 13 Nov 89 pp 21-24, 26-27

[Article by Dokun Oloyede: "Costing the New Politics"]

[Excerpts] The government's rather grandiose six-year transition programme will cost the nation close to N15 billion. Another five billion is expected to be spent by political aspirants beginning with the local government election, now put off till next year, to the presidential election in 1992. Over one billion naira had already been spent by the 13 political associations by the time they were dissolved early this month.

These estimates have been painstakingly derived from pieces of information from informed sources in government, officials of major government agencies and members of various bodies involved in the transition programme, detailed research work and consultations among a number of high ranking political analysts, top economists and experienced politicians. The estimates are in every sense most conservative.

Inside sources in government's major spending agencies in the transition programme such as MAMSER and the National Electoral Commission (NEC) are scared to quote figures of expenses already incurred even where the key elements of the transition programme are yet to be implemented. In October 1988, just after one year of operation of MAMSER, its director, Professor Jerry Gana said that if the amount of money spent is disclosed, it will scare even the greatest optimist.

Some of the former leaders of the banned political associations claim that from their experience in running political parties, the total estimated cost of N15 billion is too conservative. According to Dr. Asikpo Essien-Ibok, former financial secretary of the defunct Peoples Solidarity Party (PSP), it will cost not less than three billion naira to fund the two political parties registered by the government.

Even at the conservative N15 billion, this represents roughly three times the sum of capital expenditure in agriculture, social service and infrastructure for the past three years. It works out to an average expenditure of over N23 million per person for each of the six years of the transition.

MAMSER's scary expenditure for the two years of its existence is estimated at one billion naira. It still has an estimated minimum of N1.5 billion to spend within the remaining three years of its life. Its sources say that much of its expenditure has been incurred in the purchase of campaign vehicles and equipment and media publicity.

NEC, like MAMSER, was established in late 1987 to operate for five years. Within the four months it operated in 1987, it spent not less than N16 million and was subsequently allocated N40 million in each of the 1988 and 1989 budgets. Normal budgetary allocations for the remaining three years is estimated at a total of N150 million. Its local government area offices furnished are expected to consume another N136 million at an average cost of N300,000 per office while the state offices are valued at N500,000 each. NEC has put the cost of the local government election, now to come up next year at N416 million.

The remaining six elections it will conduct between 1990 and 1992 are expected to cost, on the average, N466 million per election. This constitutes over 80 per cent of the council's total estimated expenditure of N3.5 billion for the transition programme. The cost of organising the

December 1987 local government election, including the by-election in 312 wards is put at slightly below N250 million. The bulk of the expenditure is said to have gone for payment of personnel used for the exercise. There were on the average two polling clerks and one supervisory or presiding officer per polling booth. On the average, N380 was spent per polling booth to pay them while there were a total of about 200,000 booths nationwide erected at about N500 each. In addition, returning officers, one in each of the then 304 local governments, were paid about N200 each.

The number of polling booths rose to 380,000 during the review of voters register in December 1988. Some costs were saved through the use of bamboo and palm fronds for constructing the booths. Each booth then cost N250 while over N150 million was used to pay the personnel engaged for the exercise. According to Professor Eme Awa, former NEC chairman, four persons were engaged to man each booth and each was paid N100.

The 1991 census is another key item of the transition programme. The National Population Commission established in 1987 for this purpose may spend not less than N2.2 billion between 1987 and 1992. More than 50 percent of this amount may be consumed by purchase of motor vehicles for all the local government councils. Preliminary estimates show that about 10 cars, five landrovers, up to 20 motor-bikes and 50 bicycles would be required for each local government. Major capital outlay and other related expenses might not be less than N500 million while over N180 million may be used for paying an estimated 157,143 field staff and zonal coordinators to be involved in the head count. The mock nationwide count billed for November 1990 is expected to cost over N100 million. The Commission will maintain offices in the 453 local government councils.

The cost of acquiring the offices with furnishing is put at about N50,000 per office, or a total of over N22 million. Each office is to be headed by a grade level 13 officer with about five supportive staffers of grade levels ranging from 3 to 10. Over N34,000 may be required to pay the staffers per office per annum. Some N20 million is estimated for publicity through films, radio and television advertisements, pamphlets and billboards in all local government areas. The Commission will also embark upon nationwide visits to all governors, chiefs and traditional rulers. In addition to budgetary provisions totalling N16.3 million for 1988 and 1989, the Commission has received another N60 million grant this year.

The Political Bureau, one of the first bodies under the transition programme, consisted of 17 members who sat for 15 months. The bureau cost the nation between five and six million naira—an average expenditure of N323,529 per member. A sizeable part of the money, however, was said to have been spent on workshops and transportation. The Constituent Assembly made up of 567 members sat for nine months and spent between N20-25 million or nearly N46,000 per member. Other bodies which are part of the transition programme include Code of Conduct Bureau, Code of Conduct Tribunal, Transition to Civil Rule Tribunal and National Revenue Mobilization Committee, the four claiming a total of over N13.5 million.

Local government chairmen and councillors who were elected in December 1987 assumed office in January 1988 and lasted till June 1989. Within the 18-month period, the 304 chairmen and deputy chairmen received on the average N17,500 and N15,000 as salaries and allowances per annum respectively. Supervisory councillors, three from each local government council, totalling 912 were paid some N13,500 on the average of their initial and final remuneration while councillors numbering 4,112 (5,024 less 912) also received N9,000 on the average. There were also special grants of N500,000 for each of the 149 newly created local governments in 1988. These add up to nearly N167 million.

Assume that the local government election on party basis next year holds in March, then, by April or so, a total of 5,930 elected officials will be on the payroll. There will be 453 local government chairmen with equal number of deputy chairmen. At gross annual salaries of about N20,000 and N18,000 per annum for the chairmen and deputy chairmen respectively—which are only slightly higher than latest pay at the time of exit last June—they will collect over N43 million in the two and a half years to the end of the transition programme in September 1992. Within the same period, the total salaries and allowances of the 1,359 supervisory councillors (three from each local government) and 3,665 councillors (5,024 less 1,359) at an annual salary of N15,000 per supervisory councillor and N12,000 per councillor will amount to about N161 million. This sums up to over N203 million.

The state legislative houses also to be instituted in 1990 would have been two years old by the end of the transition programme. In all, there will be 840 state legislators with the number varying among the states. They will not be paid salaries but they will be entitled to an allowance of an estimated N100 per sitting and are expected to sit for 181 days in a year (362 days for the two years). This amounts to N30.4 million. Other allowances and expenses are estimated at N200 per legislator per sitting day giving a total of N60.8 million. Total allowances for legislators thus add up to N91.2 million for the two years. Personnel and administrative costs of running each state house for the two years, including costs of renovations and repairs, add up to N70 million per state. Administrative costs for Abuja is estimated at N15 million. These amount to N1,485 million.

State governors too who are coming by 1990 would have been on government payroll for two years by the end of the transition programme. At a likely salary of about N40,000 per annum, the governors, including the mayor for Abuja, would earn a total of N1.8 million. Their deputies and special assistants (three assistants per governor) also at likely offers of N35,000 and N27,000 per

annum respectively would earn a total of about N4.8 million. This, plus the total pay of governors, amounts to over N6.6 million. Commissioners are expected to number 10 per state with estimated salary and allowances of N30,000 per annum. Like governors, they would have stayed for two years by September 1992. This works out to total earnings of N12.6 million.

Elections into the federal house of legislatures and convening of the National Assembly are scheduled for the first and second quarters of 1992. A total of 420 representatives and 64 senators—three from each state and one from Abuja would be elected—to sit for a maximum of 181 days in a year. They would have lasted for about three months with an average of 45 sittings by the end of the transition programme. At a conservative estimate of N200 as sitting allowance for federal legislators, accommodation, feeding and other expenses of about N500 per day and transportation costs averaging N3,500 per person per quarter, the legislators would collect a total of N14.7 million before the end of the transition programme. Similarly, a sitting allowance of N250 per senator, accommodation and feeding expenses of N750 per day and transport allowance of about N5,000 per senator per quarter add up to N3.2 million for the three months to the final disengagement by the armed forces.

The national Assembly may need a minimum of 100 vehicles, mainly cars. At a factory gate price of about N125,000 for a Peugeot 504 saloon car, this will cost N12.5 million. Another five million naira will be required for staff and administrative costs. Other general expenses of capital nature throughout the transition programme are estimated at N100 million.

Another big responsibility for government is funding of the two political parties. Huge capital expenditure will be involved in building and furnishing party secretaries at local government, state and federal levels. Cost of building and furnishing of each local government party office is estimated at one million naira. There will be two offices in each local government area, one for each party. This will cost about N906 million. State secretaries, 44 of them including Abuja, are valued at N1.5 million per furnishing office totalling N66 million while the two national secretariats may cost N2.5 million each or a total of five million naira. This brings the total estimated cost of all party secretariats to N977 million.

Each party office is expected to be manned by 18 staff. Thus, there will be 36 staff in each local government. Each state party office would be manned by an average of 25 workers which implies a total of 50 staff for each state, including Abuja. At an average salary of N525 per month for the staff in both local government and state offices, over N301 million will be required for the 33 months the parties may have lasted by the end of the transition programme, assuming they become operational from January 1990. At federal level, 40 staff, mainly professionals, are expected to man each party office. For the two parties, at an average total montly salary of N1,000 per staff, about N2.6 million is estimated for the wage bill, bringing the total estimated personnel costs to about N304 million.

A minimum of 13 vehicles—kombi buses and peugeot 504 cars—per party per state are also assumed at an average cost of about N96,000 which amounts to N55 million. Funding of political rallies and campaigns for all elections on party basis conservatively estimated at N500 million for the two parties. Another N500 million each for the two parties is also calculated as cash provisions for general expenses, reserves and other activities of the parties. Up to N100 million may still be set aside for miscellaneous expenses such as anti-thuggery activities, quelling riots, and general security.

There is no consensus over the huge financial responsibility government has assumed under the transition programme, particularly over party funding. Those who are in support of government's decision argue that money is the most central factor in the distribution of influence in the political system and should better be provided by government which is guided by the national interest. Many of those opposed to huge political spending by government are pessimistic about the continuity of civilian government. They would want to be convinced that there would not be a case of financing another transition programme before the close of the 1990s.

For every military intervention, there is obviously going to be a transition programme. Political scientists contend that a transition programme of the type currently being implemented is tantamount to getting back to the state of affairs at the point of the military intervention. This they explain by pointing to the reemergence of the old political camps in the recently dissolved political associations and the regrouping of the six political associations cleared by NEC, three for each of the two government-sponsored parties. The huge cost involved in the whole exercise is therefore seen as unnecessary and avoidable. Economists refer to transition programmes as a drain on the economy with no positive contribution to economic growth. In a way, a transition programme is comparable to starting an entirely new factory, they say. No business firm involved in a continuous dismantling of existing production machines and replacements can, in their view, record reasonable profits and achieve growth.

In another sense, the transition programme of the ongoing type is seen as an attempt to correct a past mistake and therefore an inevitable cost of the near total failure of the Second Republic. In fairness to the military, political analysts agree that a void is usually created in a typical civilian government which only the military can fill through coersion. But there are unanswered questions. Admitted that the huge expenditure involved in the current transition programme is an unavoidable price the nation is to pay for the Second Republic madness, can the nation afford another transition programme under the increasing complexity of government

machinery and amidst the continuing decline in state finances? If the cost of military disengagement is so high, does the cost-benefit analysis show that the nation as an economic unit has gained from military intervention? Shouldn't the military in justifying a coup against a civilian government consider the cost of starting many things afresh? If the present exercise is the last of transitions, well, the tax payer may forgive that the money involved is not spent on productive ventures. In the event of another failure and another fresh start in future, pure economic analysis of the political transition melodrama indicates that the exercise would have been a bloody waste.

Senegal

* Government Policy Decried by Ally CNTS

34190027A Dakar SUD HEBDO in French 12 Oct 89 p 7

[Article by Demba Ndiaye: "Crispation"]

[Text] It does not involve a passing rebellion, but a true tidal wave that snips at one of the social pillars of the Socialist Party: the CNTS [National Confederation of Senegalese Workers]. Occurring only a few days after the adoption of the draft laws judged to be antilabor, the seventh ordinary congress of the CNTS Union of Workers in the Food Industries acted as a double test: firstly, for the PS [Socialist Party] that could verify the unpopularity of the latest government measures; and secondly, for the CNTS boss, Madia Diop, who could assess his troops.

The opening session of the congress did answer the various questions. Lamine Diack, a member of the PS Executive Bureau, spent a difficult 15 minutes. For the first time in the annals of the religious-like CNTS congresses, an emissary of Secretary General Abdou Diouf was almost forbidden to speak by highly excited delegates. Shouting, which lasted 5 minutes, thus greeted the traditional, "On behalf of PS Secretary General, President Abdou Diouf...." That was to be the only, and unfinished, sentence that he succeeded in uttering, until the star of the moment, Madia Diop, came to the rescue, undoubtedly happy to prove to the party that he is not yet finished.

Madia Diop was also embarrassed by this lack of respect toward the secretary general of the Socialist Party. It was real concern that came through in his voice when he said, "If you do something to him (Lamine Diack), you are doing something to me." The coded message undoubtedly was understood because the PS delegate was able to resume his speech some 10 minutes later. But he, too, had decoded the message of the rank and file because he did not once pronounce the name of the PS secretary general, content to refer to him as "the one who sent me, or the one I mentioned while ago...."

This anger of the workers in the food industries feeds on the widespread business failures, mentioned in the Madia Diop report; on the hoards of laid-off employees and other deflationist measures; but, above all, on the latest laws voted by a majority of sick-at-heart socialist deputies. It is a bitter pill recalled by Madia Diop's "dauphin," Assane Diop: "The crisis will not be solved with laws, but with a national democratic debate."

He was thus summarizing the feelings of the rank and file and the speeches of the representatives of the invited autonomous trade unions: the SUEDES [United Democratic Trade Union Federation of Senegalese Teachers], the SDTS, the CGTDS [General Confederation of Democratic Workers of Senegal], and of the UTLS [Union of Free Senegalese Workers]. It is easy for Madia Diop to re-assert his "approval of the responsible participation practice, the basis of a social peace capable of guaranteeing productivity and the just distribution of incomes." It remains, though, that something cracked in the mechanism of participation. It is not yet the divorce between the two giants (CNTS-PS), but the avalanche of measures perceived as antilabor is opening the way.

* Opposition Confronts State on New Laws

34190026B Dakar SUD HEBDO in French 12 Oct 89 p 1

[Article: "Electoral Code and Status of Parties"]

[Text] The consideration of bills dealing with social concerns and relating to flexibility in employment has obscured the importance of the revisions introduced into the Electoral Code and the law governing political parties. Adopted during the same session of Parliament last 4 October without prior consultation with the opposition, these last-named reforms confer on our country a new political landscape marked by conservatism and the threat of recourse to repression. Up until now conspicuous for their lack of initiative, the opposition parties have rejected these reforms that may be likened to a veritable "regression" of the Senegalese democratic system. During a press conference held last Tuesday, Mr Abdoulaye Bathily, the secretary general of the Democratic League-Movement for the Labor Party (LD-MPT), felt that, due to the gravity of the situation, a confrontation with the government had become inevitable. As recently as last 5 October, the LD-MPT and the PDS [Senegalese Democratic Party] published a joint declaration in which they indicated that "the government has just provided itself with the legal means for dissolving any political party whatsoever, censoring the opposition parties' election campaign, keeping various political affiliations—although very useful—from being represented in the National Assembly, and making any democratic alternative to the PS [Socialist Party] regime impossible." As for the leader of the People's Liberation Party (PLP), Mr Babacar Niang, he does not exclude the possibility of a confrontation either. During his party's last National Council meeting, he called on the Senegalese "to have their hearts and minds ready to deal with

situations involving tension and risks, situations that will call for the mobilization and action of all our members and leaders and, more generally, those of the nation's active forces who really want to save Senegal." According to some sources, the eight-man administration is getting ready to take the initiative in condemning political bills and mobilizing public opinion.

* Government Failure To Consult Irks Employers

34190037C Dakar WAL FADJRI in French 20 Oct 89 pp 10-11

[Article by Mamadou Ndiaye: "Games and Stakes"; first paragraph is editorial introduction]

[Excerpt] A delicate situation on the social and economic front. The measures taken by the government are irreversible. The employers are absorbing the blow, while the CNTS [National Confederation of Senegalese Workers] is beginning to splinter. The poor communications policy of the authorities has had much to do with this zero-sum game.

At 4 Rue Alfred Goux, the address of the headquarters of the Senegalese employers' association, confusion is at its peak, following the rise in tariff duties and the increase in the cost of electricity last July. Endless phone calls and comings and goings have turned the headquarters of the National Employers' Council into a hive of activity. The headquarters is unusually busy during this key period—end of September and beginning of October—and is full of uncertainty. However, the apparent serenity affected by management in this atmosphere contradicts the concern now felt within the various companies. Certainly, the discontent is perceptible. However, it is not bad temper and still less any grumbling—just an indication of a considered mood. And for a good reason!

Even if they do not say so openly, the employers are annoyed at being kept at a distance and discreetly criticize the government for showing a lack of courtesy toward them in connection with the series of measures that it has adopted and that immediately affect the course of business. This is the case with the harbor duties, mercurial values, and the minimum tax collection level, all of which have increased relatively, without employers having been asked for their views. However, it was not as if the employers did not prepare counter measures aimed at maintaining the precarious balance of Senegalese companies.

It makes no difference. The government has priorities that are not necessarily the same as those of the industrialists. Above all, the authorities wish to reorganize financial resources through an increase in tax income to ensure the continuity of government services. In particular, the government wishes to make use of the fourth adjustment loan on which the state is counting to provide resources to the government bureaucracy. However, income from this source will not be available until December, and even that depends on having all decisions reached in agreement with the World Bank enter into effect before then. Now, time presses, and it is said that there is not enough money to pay the civil servants. The solution recommended and made public by Moussa Toure, the secretary of state of the Ministry of Economy and Finance, consists of increasing the VAT [Value Added Tax] to provide additional government income, even though the consumers will have to foot the bill. Moussa Toure explained this situation at length over the radio on 25 September, showing the regard that he has for the consumers. The least that might be said about this is that their purchasing power is declining.

Furthermore, despite a considerable correspondence between the employers and the government authorities, the status quo seems to be prevailing. There is no question of cancelling Ordinances 89-20 and 89-30 of 25 August, which provide for a change in the table of import-export duties listed in the customs tariff. Moreover, the government was deaf to the entreaties of businessmen of the informal sector [the commercial sector that does not have full legal status] who, to make themselves heard by the authorities, engaged in a symbolic strike on 25 September, paralyzing an entire segment of the economy for a few hours.

50 Questions for Diouf

In the view of government officials, this dispute involves a matter of not giving in on these questions in order to consolidate the credit of the state. Has this really been accomplished? This question has not changed the minds of the employers more concerned with making an inventory of "the damage" caused by the effectiveness of these measures. Amadou Moctar Sow, the leading figure among them who is also president of the CNP [National Employers Council], knows that it will be difficult to get around these measures. Nevertheless, he has not broken his well-known silence, preferring to work as a member of a team to bring out an effective alternative.

His one-on-one meeting with the chief of state on 30 September had the purpose of developing a working framework accompanied by practical measures that would gain the support of Diouf. To prepare for the meeting on 12 October, there was a "brain-storming" session held on 11 October at the headquarters of the CNP, where the whole working team, grouped around President Sow, refined a list of 50 questions to be submitted for the consideration of the president. It was a very rare honor for the CNP to participate in the cabinet meeting on 12 October, which brought together no less than about 10 ministers and about a half a dozen high-level officials. This was a suitable occasion, if there could be such a thing, which allowed company officials to review the problems that they have.

For the first time the, CNP succeeded in making itself heard simultaneously to representatives that it only saw separately. For example, there were the cases of Serigne Lamine Diop, minister of economy and finance and Famara Ibrahima Sagna, minister of industrial development. An important detail was the fact that Serigne

Lamine Diop was the head of the department that Famara Ibrahima Sagna, who at the time was administrator of the Free Trade Zone, now directs. Famara Sagna was strongly opposed to the new industrial policy [NPI] that Serigne Lamine Diop advocated. Now Serigne Lamine Diop, who has since become minister of economy and finance, adopted economic measures completely contrary to those of the NPI, thus dismantling a useful instrument, which he had taken the time to develop. By doing so, he succeeded in suddenly completing a memorable maneuver, for he turned Famara Sagna into an ardent defender of the NPI before the astonished gaze of the employers.

For the moment it is difficult to speculate on the total contents of the document, as well as the full list of the subjects discussed. In any case certain questions could not be avoided, and the employers, under the pressure of some of their affiliated organizations, particularly the SPIDS [Industry Employers of Dakar and Senegal] (industrialists) and organized merchants, could not fail to raise the questions of taxation, mercurial values, and even the matter of fraud.

In the view of many employers, taxation is a heavy burden. And the different variations that taxation has gone through have been disturbing to companies committed to more or less long-term strategies. More explicitly, business trends do not lend themselves very well to capricious taxation. That is why they recommend a broadening of the tax pattern in order to open up the economy without encumbering the capital of the various companies. Furthermore, they are concerned about a probable increase in the incidence of fraud with the raising of the value added tax.

They base their fears on our porous, southern borders, more specifically Gambia but also Guinea, from which come quantities of merchandise that was originally composed of gifts and that now are being shipped to Senegal to be sold. The CNP, which is satisfied with the return to more protection, is also calling for a strengthening of the customs barriers on our borders to discourage and even hold down fraud. The operation involved is rather costly for an uncertain result, especially as we risk paying a great deal for very little return.

Skillful Maneuverer

Circular No 975 of 12 September, issued by the director general of customs, moves in the direction desired by industrialists in Senegal. Does the government have the means to carry it out? We may doubt it, considering the difficulties facing the Treasury with which the government is dealing, because the Treasury has reached its open ceiling. Apparently, the shortage of capital is not unrelated to the risky planning of investments. Hence, the repercussions in the social and industrial sectors. The draft bills presented to the permanent bureau of the National Assembly and the stormy session that followed demonstrate the determination of the government to move quickly. However, its haste has put the CNTS on its guard. Received in turn by President Diouf on 14 October, Madia Diop garnered from the recent confrontation a halo that restored his political fortunes.

A skillful maneuverer, Madia Diop likes combat, whereas Amadou Moctar Sow is careful but slow and likes the deliberate process of negotiations. Should we deduce from this that the two men are engaged in a zero-sum game? Although we may think that Diouf and the president of the National Employers' Council have a mutual regard for each other, the government, nonetheless, has often followed policies without referring to its associates, however much they have been linked to it in the past by regular, tripartite cooperation. These meetings of the past are not purely and simply no longer held. Hence, the rupture of the social pact motivated by a lack of dialogue between the state, the employers, and the trade unions. The consequence is the fact that this kind of incomprehension can arise from longstanding tensions.

The government does a bad job of explaining its political decisions. The CNTS, at least the rank and file, seems unwilling to understand anything and consequently tries to free itself from any guidance from the government in order to defend its right to strike and to work. The government increases the number of decrees, laws, and circulars to provide quantitative proof of its efficiency. The employers compensate for their lack of aggressiveness by increasing the size of their audience. Is something going on?

* New Legislation Jeopardizes Worker Security

34190038B Dakar WAL FADJRI in French 27 Oct 89 pp 9-10

[Commentary by A. Camara: "A la Carte Unemployment"; first paragraph is WAL FADJRI introduction]

[Text] First work, then be unemployed, as you wait once more until you are able to find another "job." This is how the map of the labor world could be drawn. With the new law, everything is a matter of interpretation.

The National Confederation of Senegalese Workers (CNTS) will not call a general strike. Nothing is to be expected from that quarter, because under present circumstances, Mr Madia Diop finds such action inopportune. This is what emerged from the question-and-answer session, reproduced elsewhere in this issue, in which the secretary general of the CNTS participated. So it is through dialogue that the principal union affiliated with the Socialist Party (PS) hopes to achieve the repeal of articles 22 and 23 of the new investment law. For the time being, the union seems to be content with having the texts that have been voted on specify that these new stipulations are not retroactive. However, what is at issue here is not a favor, since a new law that replaces another is not, in principle, retroactive unless this retroactivity is specifically stipulated. This was not the case in the amended text.

If one is to believe the secretary general of the CNTS, it was the new investment law that brought flexible employment onto our social landscape. Previously workers were protected, their employment was stable, and their basic rights were respected. But this is an idyllic vision of a worker's legal status within a business. Because in the current labor law, employment is already made precarious by the existence of article 35, whose contents were gutted in 1987 with the complicity of CNTS deputies. Certainly it is the responsibility for having introduced the idea of "flexible employment" into an environment in which stability of employment was a sacred principle that seems to trouble Mr Madia Diop today.

What happened in 1987? Article 35 of the labor law read as follows: "No worker can enter into more than two fixed-term contracts with the same business firm or renew a fixed-term contract more than once." Except in three special cases: When the worker is hired by the hour or by the day, if he is a seasonal worker, or when he is a dock worker hired for work in a port. In 1987 the government wanted to revoke these stipulations with a view towards eliminating the principle of banning several successive fixed-term contracts and thus allow employers to draw up many fixed-term contracts with their employees. CNTS workers will oppose the vote on this law, which they find to be "nefarious." And a compromise will be found with the CNTS deputies: This is Law No 87-20 of 18 August 1987.

Article 35 as amended will allow an employer to hire workers at periods when there is extra business, without limitations and with fixed-term contracts. This notion of [what constitutes] "extra business" is left up to the employer to interpret, the authorities having no a priori power to make checks. And even supposing checks could be made after the fact, the worker would run the risk of losing his job. In a word, if you were hired due to extra business, you can put in eight years in a business firm and one day find yourself out on the street without severance pay (provided there is a clause stipulating such).

Furthermore, practice has shown that, since 1987, the new article 35 of the labor law is the text employers ask for the most frequently. And the proof lies in the fact that today the exception (extra business) has become the rule to the extent that there are few new workers who have an open-term contract. University graduates who managed to find positions for themselves know a thing or two about this. Essentially, if not exclusively, this is due to the fact that the notion of extra business is a highly flexible one, and, again, it is one where the employer, and only the employer, at his discretion, can make the final decision.

As a matter of fact, the new articles 22 and 23 in the investment law are but the second step towards the destabilization of labor. Altering these articles means that it will no longer be necessary for new employers to request permission from the labor inspector in cases of layoffs for economic reasons and it means that five years from now employers can renew fixed-term contracts as many times as they please since these [legal] texts apply to them. So a situation that was already precarious is made even more so by introducing the freedom to break a contract.

But the five-year delay [in implementing the new articles] that the legislature adopted can be interpreted in two ways. It can mean that the new law is only applicable for a five-year period, and this would give new businesses time to stabilize, after which there would be a return to common law. There is a second possible interpretation: A business firm will be able to recruit workers for five years, then, after this period, terminate them and hire new ones for five more years. However, this last solution is dangerous, because of the trend it would create of a la carte unemployed persons and wage earners. People would thus alternate between working and being unemployed.

The paradox introduced by articles 22 and 23 of the investment law is that these articles ought to make it easier to create jobs (this is the government's contention) while at the same time they make employment precarious. Thus we see two laws superimposed, resulting in the existence of two types of business firms in Senegal. Some must uphold articles 35 and 47 of the labor law, others do not have to. Thus, as we have seen, the law itself establishes this discrimination.

There is a way of getting around this discrimination, and employers unaffected by the investment law's new stipulations will not be modest about having recourse to it. Even if, in the eyes of the law, doing so proves fraudulent. But when such fraud can benefit from the protective mantle of the law, as is the case here, it becomes a different matter. Fraud may be covered by article 191 of the labor law which, while respecting the principle granted to every employer that he is free to do business or not to do business, allows an employer to close up shop merely by saying so to the labor inspectorate. Why then not do as the French Company of West Africa (CFAO), which closed shop in 1982, laid off its staff, and started a new company, Diasen, which is involved in the same commercial activities, uses its materiel, and hired some of its former workers? This was the best way of getting around the labor inspector's opposition to [the company's] repeated requests to lay off a part of its staff. And the judge was completely taken in when he refused to give these laid off workers the benefit of article 54 of the labor law, which allows a worker to retain his job even when there has been a change of employer.

Unfortunately, all of this seems to be very far from the present preoccupations of the secretary general of the CNTS, who believes that there has to be fraud in every human activity and that you cannot do anything to halt it. Even if you fight the fraud.

* CNTS Secretary General Denies Union Split

*34190038A Dakar WAL FADJRI in French
27 Oct 89 pp 8-9*

[Interview with Madia Diop, secretary general of the National Confederation of Senegalese Workers, by A. Camara and O. Gueye; date and place not specified; first paragraph is WAL FADJRI introduction]

[Text] The National Confederation of Senegalese Workers (CNTS) is, at what has to be termed, a turning point. It must simultaneously cope with "reformers" fighting it at the union level and with a government which, though its partner, is more concerned with the injunctions from the world of international finance than it is with defending workers' interests. Our reporters met with Mr Madia Diop, the Confederation's secretary general.

[WAL FADJRI] When will the general strike take place?

[Diop] The general strike did not take place. After analyzing the overall action taken by our organization, the CNTS board believes it is not necessary to unleash a general strike given the present situation and it has suggested convening a meeting of the central committee to study measures appropriate to coping with the situation. The overall action of our union that I am speaking of is the negative vote of the nine Socialist CNTS deputies, the six-hour-long meeting with the head of state, holding several protest meetings, and a thorough analysis of the economic situation.

The government has made a not insignificant concession, since workers in functioning companies are not affected by the new provisions adopted by the National Assembly that were opposed by the Socialist CNTS deputies. We must also recognize that administrative approval of layoffs was repealed under the provisions of the French labor law by the former Chirac government.

[WAL FADJRI] Still, are these concessions enough so you will call a halt? Furthermore, will you leave this matter behind you?

[Diop] In the past there were nefarious laws that were ultimately repealed. Such as Law 80-01, after two years of struggle on the part of workers. So union action will continue. We shall not drop our demand that the new provisions of the investment law be repealed.

[WAL FADJRI] How so?

[Diop] Our leaders will decide.

[WAL FADJRI] You are opposed to reducing the number of public-sector jobs and do not guarantee that the voluntary resignations of public-sector workers that the government has proposed will take place. Why?

[Diop] Following the formula for staff reductions and the mass layoffs that have been used to cut the staffing in a business, there is a new system of staff reduction begun by private-sector employers called "voluntary resignation" or "negotiated departure." This new staff reduction system is nothing less than a buyout of jobs. However, it is hard for a union organization to counter the will of a worker to resign if he is getting some reward in return. These substantial rewards often amount to several million [CFA francs]. So workers who do not understand the social context within which these rewards have been made may view this as a step up the social ladder. Some private-sector workers have accepted these rewards without mentioning it to either the unions or staff delegates because their boss has enough money to carry out a buyout of jobs, which someone formerly held. The unions do not agree with these procedures. They have been imposed on us but we do not guarantee them.

[WAL FADJRI] Do you advocate any formula to reduce the money paid out in salaries and benefits to government employees?

[Diop] The CNTS believes that jobs must be maintained so workers and their families can live. To be sure, the public sector must be reorganized, but in the context of underemployment. People are being paid who are not at their place of work. Others live abroad and continue to receive their wages. A purge that was undertaken in this area produced the results with which we are familiar. Once again we are opposed to every type of staff cut. If a great deal of money is paid out in salaries and benefits, the fact is that government represents a heavy legacy from the colonial system. The question is whether you have to sacrifice workers and reduce whole families to misery just to satisfy IMF and World Bank requirements.

[WAL FADJRI] The CNTS is yielding ground rather than bringing about conditions that would lead to full employment. Would it not be appropriate to adopt an offensive strategy at a time when employment is in the process of being undermined?

[Diop] The unions are not out to destroy. Union action means acting when this is necessary and remaining calm when that is necessary. You are undoubtedly unaware of the battles being waged in the different sectors, and of the wage increases that have been won in tooth-and-nail struggles. You cannot appreciate the immensity of union action. And yet much has been accomplished.

[WAL FADJRI] What specifically do you find wrong with the new investment law?

[Diop] Articles 22 and 23 indirectly alter articles 35 and 47 in the labor law. This is a slap in the face of the working class. In simple terms, this means that newly hired workers will no longer be protected by the same provisions. In a word, the investment law is being used to alter the labor law, and, under these conditions, all newly hired workers are considered temporary.

[WAL FADJRI] Yet the government says that the goal of these changes is full employment.

[Diop] I do not believe that. We think the IMF and the World Bank have exerted pressure on the government to command respect for their economic and social theories.

[WAL FADJRI] Were there any other alternatives to revive the economic situation?

[Diop] We think that dialogue and consultation on the economic plan are to be preferred. The top authorities need to be brought together to help the country emerge from this crisis. The government by itself does not have a monopoly on [constructive] thinking.

[WAL FADJRI] When you amended article 35 of the labor law in 1987, you introduced this precarious job situation that you are criticizing today.

[Diop] This is not true. Reread article 35, you will not find one iota of what you are talking about in it. On the contrary, we fought so this would not be the case.

[WAL FADJRI] Is responsible worker participation still in style now that you have said no to the socialist government on various occasions?

[Diop] On the contrary, responsible worker participation is growing stronger. Responsible worker participation does not mean submitting to a policy that is contrary to workers' interests. We must be honest with ourselves. We want workers to take part in the running of a firm, and we want them involved in decisions that affect the life and the activities of a firm. We have produced genuine participation by enunciating the workers' point of view loud and clear.

[WAL FADJRI] What about party discipline?

[Diop] Does party discipline mean sacrificing workers? If it does, then we say no to such discipline. Besides, how can you take the CNTS to task for having defended the interests of workers before the National Assembly? And especially when you know that in that very same assembly, deputies belonging to a government party organ and working together with the entire socialist parliamentary group banded to reject at its first reading a draft law (one to set up the National Railroad Company) some of whose provisions ran contrary to the interests of the more militant members of that government party organ.

[WAL FADJRI] Aren't the ranks of the CNTS in the process of splitting?

[Diop] The board met and did not notice a split, and its members spoke in terms of cohesion. Our board's unity is still solid despite adversities.

[WAL FADJRI] Doesn't the fact that there are elements of reform within the CNTS demonstrate the opposite?

[Diop] In any event, our renewal is ongoing. Because we put ourselves back on the line when there's a need.

[WAL FADJRI] Yet destabilization cannot be ruled out, given the unrest at the lower level.

[Diop] You know, destabilization is always with us, and today we got beyond one of its phases when we recovered the labor exchange in Kaolack that had been taken over by the ex-secretary general of the Regional Union. In any event, we are not afraid of those who would be tempted to destabilize us.

[WAL FADJRI] By agitating for a national union government and the convening of a meeting on the economy by the body politic, aren't you letting your political ambitions show?

[Diop] I have no political ambitions outside of my party. We represent only the working class and because of this we must put forward certain ideas and defend certain opinions. Those who criticized us in the past today increasingly accept more and more of our proposals.

[WAL FADJRI] Workers expect specific action from you whereas the Socialist Party (PS) has shown its irritation over your stands. Aren't you gambling with your political and union future?

[Diop] Only the workers will decide what our political and social future will be. Those who do not represent the working class can do nothing to us.

* Discussion on Labor, Electoral Law Bills

34190022A Dakar WAL FADJRI in French 6 Oct 89 pp 8-10

[Article by A. Camara: "CNTS: Spirit of Nonconsent"]

[Text] A PS [Socialist Party] in full convulsion. This was the image on 4 October when the vote on bills dealing with the modification of the investment code (its Articles 12, 22 and 23), as well as the status of the free industrial zone of Dakar was rejected. Never since May 1968 has the party in power seen such an open rebellion in its ranks coming from the most dynamic and conscientious of its affiliated movements, namely the CNTS [National Confederation of Senegalese Workers]. Rarely has a government been so roughly handled than on the occasion of this agonizing reappraisal of one of its basic principles—protection of working-class jobs—on the altar of economic realism.

A choice could not have been more painful for nine deputies, CNTS members, present (of 12) who voted against the bills thus disregarding party discipline. There are two explanations for their action. First of all, the one offered by a member of the confederation board: "I prefer trade union discipline to that of party discipline because it was the CNTS workers who elected me. I am, therefore, indebted to them ahead of the PS because without them I would undoubtedly not be in this National Assembly chamber." Secondly, that offered by Madia Diop, CNTS secretary general and vice president of the National Assembly: "There are times in the life of man when honor comes ahead of ideology, above political parties in order to really be truthful to himself. It is for that reason we cannot repudiate our grassroots."

In any case, the rare grassroots militants present in the section reserved for the public did not hesitate manifesting their support for their representatives, to such an extent that they had to be called to order more than once by the assembly chairman. Following the vote on the bill they equally manifested their dissatisfaction. At times, crying out "Sopi" or openly charging with treachery those who defended the bill and who were unlucky to meet these protesters in the corridors.

Nevertheless, the bill in question was the subject of amendments, especially with the elimination of its retroactive aspects that result in having its "provisions relate only to work contracts concluded beginning on the date the present law goes into effect." Added to this is that workers recruited within this context will be assimilated "with workers hired as temporary workers to perform work resulting from an excess of work activity, in the sense of prevailing labor legislation." For the purpose of stimulating the creation of jobs it was decided to grant every company able to justify "creating a minimum of 50 jobs a subsidy equal to the sum total of income tax and assessments" provided for in the general tax code.

Null and Void Paragraphs

That the present law is not retroactive does not basically change the basic elements of the problem, namely, the precariousness of employment, is what is being said at the CNTS. Indeed, nothing prevents companies in business today from filing a petition for bankruptcy and then return under another company name and thus benefit from the provisions of the new investment code. The conditions for both the opening and closing of companies are so much facilitated by Article 191 of the labor code that the provision concerning the nonretroactiveness of the law can be easily bypassed.

How does the fact of assimilating wage earners recruited in these conditions with workers hired on a temporary basis alter increased flexibility in employment introduced by new Articles 22 and 23? When it is known, as Madia Diop maintains, that "temporary work is the most precarious because the worker can be dismissed at the very hour when the employer so decides." Even better, as Oumar Sane and Doudou Issa Niasse emphasized, even the sole means of verifying "the allegations of the employer," motivating dismissals for financial reasons, is consigned to oblivion through the nullification of Paragraphs 4 and 5 of Article 47 of the labor code.

These young people who are walking the streets looking for hypothetical jobs have reason to be worried. But how can these youths be put into production lines if companies have not been created? Investers, in all countries of the world, are not philanthropists, as Modou Amar would emphasize, they invest only when technical and legislative conditions are profitable. Minister of Planning Djibo Ka said, "If companies have left Senegal to go elsewhere it was because of the labor costs." For example, between March 1988 and September 1989, 70 billion in investments were registered. However, only one-third remained in Senegal, the remainder having been transferred to other places more flexible as far as labor legislation is concerned.

Moreover, the international economic situation is such that new arguments must be advanced, according to the minister of planning, to optimize our natural assets, both political and institutional. These assets are our geographic situation that reduces costs on the import and export of goods, the country's stability that thus provides reassurance, as well as its institutional state. Therefore, the only thing left to do was to make workers of the near future permanent contract workers [whose contracts are] revocable at any moment within 5 years, so that the "products of Senegal" might become sufficiently attractive.

The only thing is that the above does not presuppose that Senegal might become more attractive tomorrow. Just as it would be very daring to put forward the contrary as deputies who are also CNTS members do.

The new investment code directly affects small and medium-sized companies that are 90-percent Senegalese, according to Mr Djibo Ka. Nevertheless, relations of trust between employer and employee should be established in companies, something that Christian Valantin would call "a company culture [with] associating workers and employers." This would help in overcoming "the sensitive employment protection system," according to Mr Ka.

What is striking when one examines this bill are the bittersweet exchanges between government deputies and their colleagues. There were moments when they even came near to tearing each other's hair out. At least 14 of the 25 involved literally tore into the CNTS and its representatives, some saying, "If you are here today it is thanks to the PS," or as Balla Moussa Daffe said, "You should not try to give us a feeling of having a bad conscience, it does not exist." Or as Louis Dacosta broadly threatened, "If they do not want to vote, do it in the name of God. If they want to go on strike, do it in the name of God. But be careful, people will not stand by idly."

When it was thought that the debates had ended following the speech given by the minister of planning, Mr Madio Diop returned to the rescue. He confirmed, despite denials by Mr Djibo Ka, that authorship for a revision of the investment code lies with the World Bank. He said, "The bank consulted us 6 months ago through the intermediary of an expert of the International Labor Office with respect to this bill and asked how it would be possible to revise Article 35 of this labor code." The minister answered as follows: "It is normal that the World Bank would consult you but the bill is ours, the initiative belongs to us."

Once the parties had defended their respective points of view for 4 hours they then had to tackle the bill modifying the status of the free zone that was only an "appendix" (to use the expression of a trade unionist) of

the new investment code. Approved by the parliamentarians without discussion, the bill, nevertheless, obtained the negative votes of the CNTS deputies.

The rebellion by the trade union deputies, nevertheless, did not go so far as to assure such radical positions on the bills governing political parties, modifying the electoral code or regulating the holding of elections. In examining these texts that were unanimously passed (sometimes without discussion as in the case of Fundamental Bill No 11/89), the National Assembly once again was in its traditional element. Nevertheless, with the bill dealing with the new electoral code the executive went futher than the deputies of the majority party would have liked.

In fact, after having debated in committee, these parliamentarians returned to the question dealing with the chairmanship of polling places. Attorney Mbaye Jacques Diop commented as follows: "Republican tradition in all democratic countries dictates that elected representatives organize elections. It is the mayor, his deputy, the municipal councilors, etc. who preside over polling places. It is counter to the republican tradition to ask people of the so- called administration to preside over these polling places. Moreover, it is not normal that a civil servant summon an elected representative because the latter is superior to the former regardless of his grade." This point of view was shared by Mr Mamadou Diop who asked if one should not provide for sanctions against polling place chairmen who had not signed the reports. For example, during the February 1988 elections, the Supreme Court voided 90,000 votes because of the lack of a signature on the reports.

Nevertheless, Minister of Interior Andre Sonko said the changes enacted in the electoral code are the synthesis of all critiques made at the end of the elections. And then, since the administration is impartial to electoral jousts, it is normal that confidence continues to be had in civil servants chairing polling places. Nevertheless, these civil servants "must not put forward their onw partisan feelings." As for unsigned reports, Mr Sonko believes that "we must be more selective in the choice of polling place chairmen just as the Supreme Court must show judgement." Moreover, Fundamental Law No 11/89 serves "to orient its process."

The vote on these bills signifies two things. First of all, labor legislation has backpedalled to get in line with the general evolution set by business circles to bring about a hypothetical well-being. Secondly, a setback for democratic gains that encounters only very timid reaction from opposition parties. At such a vital period for the future of the country (socially and politically), the trade unions and opposition parties together could not go beyond the stage of declarations of interest through the issuance of tracts. nevertheless, opportunities of this kind are rarely encountered.

* Opposition 'Lethargic' in Election Law Change

34190018A Dakar WAL FADJRI in French 6 Oct 89 pp 10-11

[Article by A. Camara; first paragraph is WAL FADJRI introduction]

[Text] After repeatedly denouncing Diouf's proposed election code changes, the opposition bizarrely lay low at a decisive skirmish over its future.

What ran through the thoughts of PDS [Senegalese Democratic Party] deputy Boubacar Sall as he sat in as a mere spectator on the debate over the bill to modify the Investment Code? Was it frustration and irritation at being unable to jump into the fray as he had in 1987 to defend the interests of the working class? Or was it the conviction that he was watching a charade of a fait accompli pulled off elsewhere? In any case, his party's boycott of a National Assembly session so crucial for the future of the country, with its attempt to legally gut the opposition and erode the ground won by workers, raises many questions.

The same questions are raised in the correspondence from the PIT [Party for Independence and Labor] Secretary General, Amath Dansokho, to Mr Wade on 29 September. "It is not impossible," he wrote, "that some sectors think the idea of boycotting the present special session is a Machiavellian maneuver to vindicate your basic agreement with the savage liberalism of the Structural Adjustment Program." He wrote this after having begged him to join the debate on investment code changes, because the voice of the 17 PDS deputies is so important to workers.

On the other hand, the presence of the parliamentary opposition on the floor may not have mattered in the vote on the legislation. It might have raised the level of the debate and established an alliance, even a circumstantial one, with the most representative trade union group. The legislation would have passed even with 26 votes against, but the benefits the union of Mr Wade and Sopi [members of PDS] could have gained would have been considerable since the great majority of CNTS [National Confederation of Senegalses Workers] members are not part of the PS.

The official reasons for the boycott and the decision not to organize demonstrations are known: to prevent someone else from choosing the time and place for the confrontation. The unofficial reasons go like this. "We are not ready yet," say LD/MPT [Democratic League—Movement for the Labor Party] members, who stood up for this decision well before the PDS national secretariat had taken its stand. Since the excommunication of the PIT, Sopi has not yet stepped forward for the opposition. Of course, at a time when the socioeconomic situation is in turmoil and commerce and labor are up in arms, no doubt there were interests to protect.

It may be, however, that behind the boycott and the decision not to organize demonstrations during the

voting looms a desire attributed to Mr Wade here and there, even within the administration, to show the government his inclination not to aggravate the social tension or the tension from the recent scuffles with our neighbors. When the PDS national secretariat met to determine what stand to take on the legislation, it was Wade himself who defended the path of moderation against the "hardliners" who were calling for a demonstration.

Permanent Lethargy

The PIT has hardly fared any better, mired as it is in dialogue. Even though it asked for a delay of its 26 September meeting with the PS to strengthen its ties to labor and at the same time show its opposition to the attacks on democratic freedoms, it still did not cut its ties to the party in power. Since it could not persuade Abdou Diouf to build a political consensus on the legislation, the PIT has no alternative but to work within the CNTS and multiply the condemnations.

The other opposition parties are still making their declarations and seem to have been stuck in a quasipermanent lethargy for nearly 5 months; their joint actions are just as ephemeral as the circumstances on which they built themselves. Their union, therefore, has ceased to exist. There is little else to expect from these dispersed forces which, taken separately, pose no serious threat to the administration.

In this way, the amorphous opposition has allowed unpopular legislation to pass without a hitch. The PS is indulging itself in a step back for the democratic process, since it still holds the political initiative. For how long, we wonder.

* LD/MPT Paper Judges Law Antidemocratic

34190015C Dakar FAGARU in French Oct 89 pp 1, 3

[Article by Mbaba Guisse]

[Text] Benefiting from the September political recess and the consecutive lulls in the conflicts at our borders, Abdou Diouf surreptitiously submitted proposed legislation on political parties and election code revisions to the National Assembly. Basically, these proposals, so fundamental to our democracy, are designed to give the government the legal means to dissolve any political party (political party bill) and, last but not least, to make any democratic changeover from the PS [Socialist Party] legally impossible (bill concerning election code revision). Readers can judge for themselves:

1—Dissolution is ordered "in cases in which, by its general activity or its public stands, a party has seriously ignored its obligations under Article 3 of the Constitution" (article 4 of the political party bill stressed by us). I know of no legal party, even the least active, in Senegal or anywhere else, that could escape this provision. As has been said elsewhere, the decision depends directly on who will be interpreting and describing the general activity or public stands of the party in question. In Senegal, if you get my point, that someone will be wearing a green cap with a red star somewhere.

2—As for the election code, two bills (affecting organic and customary law) would modify some 32 articles of the old code. In explanation, the legislation talks about "consolidating the democracy." Aside from the so-called technical changes, here is the substance of the new provisions:

- "The minister in charge of information may submit an election campaign announcement to the Supreme Court before it is broadcast, in which case the announcement is suspended" (LO 100 and 156);
- "The election campaign lasts 14 days" (LO 95 and 154);
- "The Supreme Court may rule on the validity of the charg " (LO 11);
- "Deputies to the National Assembly are elected according to proportional representation on the departmental lists, without crossing-over or preferential voting" (LO 119);
- "At time of voting, only voters in the communes are identified" (LO 50);
- "Lists from coalitions...are not allowed" (LO 148) etc.

I wonder what the PS and the government did with suggestions from the parties to which they submitted the proposed legislation. There are two possible answers: either the government and the PS are laughing at what these parties say and think (the most likely answer), or the opposition parties had to stifle shamefacedly the democratic demands in which they nearly all agreed, in which case the idea of an opposition party will have to be scrutinized seriously in our country. If these demands are not met, it is simply naive and make believe to talk about "democratic elections." Here are several of the demands the proposed legislation left out, which makes them even more crucial:

- private and sincere voting, by mandatory use of private voting booths;
- identification of all voters at registration and at the polls;
- effective participation of all the parties in the surveillance of all aspects of elections, from registration to vote counting and announcement of the results, meaning democratization of the administrative commissions and the staff at the polling places;
- proportional representation in national legislative elections;
- legal voting age of 18 (same as the criminal age of majority);
- no qualifying fees for candidates;
- complete equal access to state media for all parties.

All things considered, I think the national situation is becoming clearer and clearer. The sincere and stalwart defenders of democracy and the stalwart attackers of democracy are staking out clearer positions. The

Socialist Party and its former and new protectors are at work politically, theoretically, and organizationally to hold on to their power by any means, including using the state and legislative bureaucracy. The legislation submitted to the Assembly represents a movement several years backward in time in the history of the democratic rights of our people. It represents two steps backward in the process of democratization of Senegalese political life. This is deplorable. Yet it is the nature of political struggle. No achievement is final, including the victories of the opponent. It remains now for the nonprotectionist opposition of the PS and its regime to do its duty in carrying out its historic and high calling: to work to make the democratic freedoms of our people solid and irreversible, under a new slogan: *Down with all adopted antidemocratic provisions* will be defended by all the country's democrats, no matter what their political stripe. In other words, the battle for a democratic election code and equal access for political parties to the media will continue so that alternation of those elected to power can remain a hope and become a reality.

* PLP Ends Political Truce, Condemns Crisis

34190019A Dakar SUD HEBDO in French 5 Oct 89 p 3

[Article by A.N. Sylla: "Scenario for Ending the Crisis"]

[Text] The People's Liberation Party (PLP) will launch a widespread campaign in all sectors of national life, in cooperation with all of the forces for change. This cooperation, within the framework of "The Eight" (the PLP, UDP [Union for a People's Democracy], AJ/MRDN [AND-JEF/Revolutionary Movement for the New Democracy], LCT [Communist Workers League], MSU [Movement for Socialism and Unity], OST [Workers Socialist Organization], PAI [African Independence Party], and PPS [Senegalese People's Party]), which held its special national council meeting last Saturday at the Magic Cinema on the theme "rescuing the country from the present great political, economic, social, and cultural crisis," is, first of all, committed to mobilizing the workers' trade unions to oppose the approval of the draft laws pertaining to the Investment Code, the industrial free zone, and the creation of the National Railroad Company. The PLP, which, according to its secretary general, Ababacar Niang, is pursuing the principle of "being on the side of the right cause and thinking and acting as a function of the majority," also opposes the submission to the bureau of the National Assembly of draft laws pertaining to the Electoral Code, the political parties, and their access to the state media, without consultation of the parties. In the view of the PLP, these are "unjustified, inopportune, and entirely unacceptable undertakings."

Also, with regard to what he believes is a "violation" by President Abdou Diouf and his minister of state of the political and social truce decided upon tacitly just following the incidents that occurred between Senegal and Mauritania, Ababacar Niang made an appeal for organization, mobilization, and struggle. It is in order to adhere to this approach that the PLP, which has an election for the women's and young people's bureau scheduled for next Saturday, decided in the course of its national council meeting to renew certain of the demands of the Union of Peasants and Livestock Breeders, as well as the Fishermen's Union. Two commissions appointed at the national council session have been entrusted with drafting a plan of action. With a view to saving Senegal, Mr Niang urged the militants and all the people of Senegal to make an exact assessment of the seriousness of the current situation, first of all, by undertaking a reading of the domestic and foreign realities.

The picture he outlined in his introductory report is a somber one. He alluded to the dismissal of several thousand civil service employees; the inefficiency of the measures related to the implementation of the structural adjustment program, with the repercussions on the schools (the high level of school dropouts, repeating classes, and failures) seen in the catastrophic results at the beginning of this school year, when only 17,000 out of 115,000 applicants were accepted into the sixth form; the waste of resources, due to negligence or allowed deliberately for reasons of self-interest (corruption, kickbacks, bribes, etc.); and the failure of a policy of convenience and neglect. On the political level, Mr Ababacar Niang believes, the impasse created following the February elections, the failure of the round table, and the sabotage of the initiatives of the caliph general of the Tidianes were exacerbated by the pursuit of a policy of exclusion, both within and outside the Socialist Party. Instead, he emphasized, what is needed, given the deterioration of the situation, is to change all of our habits and our ways of pursuing politics—in fact, to abandon subjectivism in the handling of cases and to turn our backs on the politics of the politicians.

Following this diagnosis, solutions were suggested. They are not new ones. Rather, Mr Ababacar Niang reiterated the proposals made by his party for resolving the impasse and provide a solution to the crisis on the domestic level, as well as in terms of foreign relations, and for putting the country back to work. They are dependent on a constitutional scenario based on the departure of Mr Jean Collin, the organization of a referendum on the dissolution of the National Assembly and the adoption of a new Electoral Code, the establishment of a transition government entrusted with the organization of new legislative and presidential elections, and, following the consultations, formation of a democratic government based on a broad national union in order to implement a program that has been agreed upon. The secretary general of the PLP, who reiterated the position of his party in the disputes between Senegal and Guinea-Bissau, and who described the disruption of the Senegambian Confederation as a "failure by those currently in power," also made a statement on the problem of the refugees and

the Mauritanian deportees. He proposed an equitable and enduring settlement based on the return and reincorporation of the Mauritian citizens. On the question of the frontier between Senegal and Mauritania, the PLP leader explained that his party does not set acceptance, pure and simple, of the 1933 by the Mauritanian Party as a prerequisite for the solution of the problem.

* Employers Hit Taxes, Utilities, Bank Service

* Businessmen's Grievances

34190036A Dakar SUD HEBDO in French 2 Nov 89 pp 1, 3

[Article by Hussein Ba: "Getting Out of the Economic Crisis: Employer's Proposals"]

[Text] Concern arising from the government's decision to modify import and export customs tariffs still prevails at the National Employers Council (CNP); it is also rather critical of the government's structural reorganization policy, as projected results are slow to appear in businesses.

This is why, at a recent audience with the chief of state, Senegalese employers took this opportunity to express their concerns in view of the many obstacles of all kinds that make economic recovery uncertain.

But the CNP delegation did not just draw up a list of the ills that affect Senegal's economy. In particular, they submitted some 50 recommendations concerning the definition of a selective reduction program for each production factor, tax cuts, a reduction in the cost of port services, taxation of the informal sector, the preparation of a schedule to repay the public debt, and the creation of a commercial court. These are interesting proposals. Senegalese employers see them as their contribution to the efforts made to solve the economic crisis.

The audience that the president of the republic gave to Senegalese employers on Thursday 12 October was not part of an established ritual or the traditional formalism of a country known to be a land of negotiators; far from it. The social context at a time when workers are hardening their positions, the deep crisis that is shaking Senegalese businesses, increasing taxes, these are considerations that could not fail to confer an exceptional character on the meeting between the chief of state and employers. The latter did not lack reasons for concern (even for panic in certain industrial sectors). The president of the republic was informed of these reasons in person. Sector by sector, the employers reviewed the many problems, petty annoyances, and other obstacles that make a mockery of the government's professions of faith concerning economic recovery. For instance, the new industrial policy (NPI) has remained a project; it did much damage without opening any real prospects. Accompanying measures (reduction in the cost of production factors) were not complied with.

The cost of energy has gone up; businesses still pay a lot for water, and it is frequently cut off; the port of Dakar continues to operate at prohibitive costs and performs very unevenly; SONATEL [National Telecommunications Company] bills are stiffer than ever. At the end of their tether, businesses called on the state for help. And then the government, contrary to what the NPI promised, increased taxes. Employers view orders 89-29 and 89-30, which increase customs duties, and the increased rate of the value-added tax (VAT) as a brutal disruption of their businesses' fiscal and customs environment.

These measures also entail some risks of inflation, as internal demand will shrink. According to employers, these changes are a violation of the clear and precise commitments contained in the industrial plan of action; in other words, the tax cuts designed to encourage savings and investment and the 20-percent differential between industrial input and imports of finished products, to which the government had agreed under the NPI, are thrown back into question by the new taxation and customs deal.

Businessmen did not point the finger only at taxation. The state owes much money to local businesses and had promised to repay its debt by June 1989. Nothing was done in this respect. Worse: since June (a coincidence?) checks received in settlement of invoices by businesses and presented to the Treasury for payment have been rejected whenever they were drawn on banks subject to restructuring (these include certified checks and checks that have gone through clearing). The Treasury asks businesses to draw new checks on banks with larger cash flows. Curiously enough, however, the Treasury pays its debts with checks drawn on banks that have problems. Still in the banking sector, employers complained of the bankers' lack of interest for all investments: "local banks are not inclined to finance intermediate and long-term operations, and they apply rigid criteria in evaluating risks," they say. Further adding: the cost of bank services in Senegal is high.

As far as the current restructuring is concerned, employers stated that they were never informed as a whole of the major aspects of the operation. All these constraints affect the production of businesses and, as a consequence, make Senegalese products expensive and noncompetitive. Exports suffer. In addition, protectionism, including in West African entities and subentities, penalizes Senegalese exporters. Retaliation measures were proposed against countries that do not comply with CEAO [West African Economic Community] and ECOWAS [Economic Community of West African States] rules.

The Mauritanian crisis adds to current difficulties. The looting of stores and the sudden departure of Mauritanian merchants resulted in a clear loss of 5 billion CFA francs, for CNP members only. We should note that the CNP revised its initial estimate that was very high (20 billion). Employers also pointed out that fraud, especially from Gambia, stifles production. Therefore, it

would seem appropriate to give priority to strengthening controls at this border. Several other points were also raised during the audience, in particular the regulation of domestic trade, the awarding of building contracts for the Organization of the Islamic Conference (OCI) and, above all, the social context and relations with the National Confederation of Senegalese Workers (CNTS). In this respect, employers wondered at the CNTS's "hostility" for the draft "social pact solemnly introduced" 3 years ago. Concerning all these questions, the employers' delegation offered over 50 recommendations designed to help solve problems. Here are some of them: for each production factor, define a selective reduction program; reduce the cost of port services; as far as taxation is concerned, reduce taxes, create a system of tax credi broaden the tax base by taxing the informal sector, maintain the differential between industrial input and finished products.

In the financial sector: prepare a new schedule for the repayment of the internal debt, have the state keep all its commitments, and stop the Treasury from rejecting checks. Employers also suggested the creation of a commercial court. For businesses that have been the victims of recent events with Mauritania, they requested the implementation of a tax exemption system designed to relieve their cash-flow problems over a set period. As far as social laws are concerned, employers are eagerly awaiting the publication of the executive order concerning the application of the new article 35 of the Labor Code.

* Diouf's Response

34190036B Dakar SUD HEBDO in French
2 Nov 89 p 3

[Article: "The President's Promises: Recovery"]

[Text] Meeting with the employers' delegation, the president of the Republic promised to consider the implementation of a new "vigorous and stable" policy of recovery. In a first stage, a highly qualified group (including a coordinator in charge of preparing a report) will be asked to work out such a policy.

Such a commitment on the part of the initiator of economic policies throws back into question the results of the current sector-based policies (NPI [New Industrial Policy], NPA [New Agricultural Policy], etc.). On the government's side, there is every indication that they are still looking for solutions; otherwise, how should we interpret this commitment to "implement a vigorous, consistent and stable policy of recovery" when the Structural Adjustment policy and its sector-based variants are in their 10th year. Is that an admission of failure? What is clear, at least, is the government's willingness to revise its economic program.

Other practical guidelines were published, which are designed to support the efforts of businessmen. A total of 50 guidelines were issued; they represent positive answers to the employers' 50 recommendations, and direct the ministries involved to examine carefully all the complaints presented.

Concerning the repayment of the state's debt to businesses, the president of the republic decided that a repayment schedule would be drawn up and complied with at the latest by June 1990. Concerning taxes, trade regulations and the social question, negotiations on bank restructuring will start soon between the ministries involved on the one hand and the CNP and CNTS on the other hand. The chief of state has no objection to keeping employers informed of the process.

* FAC Aid for Training, Infrastructure

34190025C Dakar LE SOLEIL in French
6 Oct 89 p 5

[Article by Pape Sedikh Mbodje: "175 Million from FAC"]

[Text] Two financing agreements for a total of 175 million CFA francs were just concluded for our country by the Aid and Cooperation Fund [FAC]. These two agreements were signed yesterday morning by the minister of economy and finance, Serigne Lamine Diop, and the head of the French Cooperation and Cultural Action Mission, Francois Chappellet.

They will be used to implement two projects in the training and infrastructure sectors. The first project involves the National School of Horticulture in Camberene which, since its establishment in 1982, has received three grants totalling 252 million CFA francs. This fourth and last financing of 352 million from France is meant to complete the facilities and equipment of that institution. With this aid, the school will be able to fulfill its dual mission of training technicians in horticulture and of assisting young market gardeners. This project fits squarely with the Senegalese Government's employment policy designed to ensure full employment of youth.

The second project will consist of supporting the activities of the mission on research and development of the Cayor Canal. This grant of 75 million CFA francs will be used for conducting supplementary studies.

The economy and finance minister said in his speech that he was pleased with the dynamic nature of cooperation between France and Senegal. He also pointed out that the French Government has continuously shown an ongoing interest in aiding development in our country by contributing to all the key sectors of our economy with nonreimbursable grants and donations. Mr Diop said that these two agreements were particularly important because of the financial aid just made available to the Senegalese Government and the timeliness of this gesture, since the Cayor Canal is a priority project because of the great hopes placed in it by the local people.

He also stressed that our country and lenders interested in the Cayor Canal project will, as a result, have a much clearer idea of how the work will proceed and also a precise idea of the type of partnership to be set up to complete the project and operate it. According to Mr Diop, our country intends to reserve a large place for Senegalese economic agents and more generally for our country's workers in it. The minister of economy and finance added that the study would also go into institutional aspects related to building and operating the canal and that it would resolve all the property issues involved in the acquisition and the occupation of the land for public purposes. Because of the urgency of operating the Cayor Canal to supply water to the Dakar region, the conclusions of this study will be submitted to the mission for the study and development of the Cayor Canal before the end of the preceding year.

The head of the French Cooperation and Cultural Action Mission indicated that these two agreements just concluded by our two governments involve two projects at the heart of the concerns of the Senegalese and French cooperation authorities. Francois Chappellet also said that this is indicative of the interest of the French cooperation program in the Cayor Canal, which will be the source of the water supply for the population of Dakar in the coming years and is of great importance to the development of Senegal and the safety of its capital.

* Locals Replace Mauritanian Shopkeepers

34190025D Dakar SUD HEBDO in French 28 Sep 89 p 6

[Text] In the worst part of the Senegalese crisis, 16,000 shops belonging to Mauritanian nationals disappeared from the commercial scene following pillaging. In the midst of the turmoil the question was raised as to what would become of the retail trade that is so vital to households?

Six months later, one thing is clear, and that is that the food supply crisis did not take place and housewives can still buy oil at the corner store. One statistic is eloquent: out of 16,000 outlets destroyed during the looting, 13,000 have been reopened, and 65 percent belong to Senegalese, with the remainder taken over by Guinean merchants. It is important to note that all the shops reopened were financed out of their own capital, quite frequently provided by relatives concerned about finding a job for their children or cousins.

Moreover, there has also been some direct investment by people with modest incomes who were employed in other sectors and who changed jobs.

In both cases, recognition should go to the new businessmen who took the initiative and acted quickly. The government, which had put together an emergency plan from the beginning that was designed to create some 5,000 sales outlets between now and 1992, was surprised at the extent of the reoccupation movement. It did not even have time to finalize its plan, things moved so fast. In the end the government did not finance any shop, and now it is content to follow the progress being made while providing organizational support. New health practices are being introduced, such as requiring a medical certificate before any shop can be opened, to protect consumers from the danger of infection.

The main lesson to be drawn from this rapid recovery of the retail sector is the existence of a real hidden potential for saving, capable of taking on unsuspected dimenions in the case of projects based on social or family solidarity. Thus, many young people were able to find or regain a professional activity thanks to this new commercial dynamism. Most of these young people have received relatively advanced educations.

Bassirou Mboup, a young shopowner established in Castor, is one of these: "I have a C baccalaureate, but I have been unemployed for 2 years. When the "Nar" who rented a room in our house to use as a shop left, my father decided to give me the place along with 300,000 francs so that I could try my luck. That is how I got into the business," he said. When you go into his shop, you are struck by the orderly display of well-stocked merchandise and the cleanliness of the premises. This comment is actually valid for most of the shops that have reopened. It is the result of a major effort undertaken by the new occupants.

For the most part, consumers are getting used to this change in their neighborhoods, but some wonder whether the "new Nars"—as they are sometimes called—are going to keep it up for a long time. They question the management abilities of Senegalese merchants, particularly in a sector that is reputedly difficult because of the meager profits it earns. Momar Diaw, a young merchant with a shop in Gueule Tapee, responds to this as follows: "Are we going to fail where the Mauritanians succeeded? I do not believe in these pessimistic allegations. We will maintain our course because first of all our social survival depends on this, and secondly it is a patriotic challenge."

All the new shopowners, however, deplore the lack of a suppliers' credit circuit since the Mauritanians have left. They accuse wholesalers of discrimination against them because of distrust. And they say that this trust was given to the Mauritanians.

Abdoulaye Diop, a wholesaler located on Sandiniery street, refutes this accusation: "We are also in the same situation and are victims of industrialists and large importers who no longer want to give us any credit because of what happened. If they would provide credit to us, we would do the same with the young retailers." In the meantime, everything is on a cash basis. To help the new merchants, the Ministry of Commerce is studying a project to set up an agency for financial assistance and for supplying merchandise on credit.

* Proposed Civil Service Layoffs Create Anxiety

*34190035A Dakar SUD HEBDO in French
2 Nov 89 pp 7*

[Article by Babacar Diop: "Streamlining the Administration: Training a Prerequisite"]

[Text] The campaign for the desired voluntary departure of 5,000 government employees may give many of them an opportunity to enter other, more buoyant economic sectors, but for others it is a source of anxiety. At the Ministry of Rural Development, these measures seem to have been well-received only to the extent that they actually involve "voluntary departure with severance pay" enabling those who leave to enter other sectors.

According to a rural development engineer, many government employees would like to leave the administration but hesitate "because the State is not consistent and does not keep its promises." Some employees of the Ministry of Rural Development dream of the large projects that will come after the dams. [as published]

Employees without any qualifications that would enable them to find jobs readily in other sectors are anxiously pondering their chances of success should they venture into the private sector.

Mr Bassirou Faye, an educator with 15 years of service at the Ministry of Social Development, stated that he saw "no opening for me in other sectors."

At the Ministry of Equipment, which has received the Organization and Methods Office (BOM), several employees have already been asked to fill in questionnaires. One employee stated that he had been recruited as an unskilled worker but "because of service requirements I do the job of a technician, for which I get a few indemnities, but still the salary of an unskilled worker," he indicated, deploring the initiative that will lay off government employees of the B and C classes, "when in many of the ministries targeted, these very employees are unskilled workers or subordinates who actually perform tasks with a higher classification."

Generally speaking, polled government employees estimated that the State should use a more realistic method, informing employees of the problem and orienting them toward other qualifications through proper training, a prerequisite to succeed in other jobs.

Given such an option, many government employees state that they would not hesitate for one moment to leave voluntarily.

* State Debt to Bank Delays New Bank Opening

*34190035B Dakar SUD HEBDO in French
2 Nov 89 p 7*

[Article by Babacar Diop: "Bank Restructuring: Implementing the Draft Agreement Is a Problem"]

[Text] The restructuring of the banking system decided by the government goes on. Following the agreement signed by the Union of Senegalese Bank and Financial Institution Employees (SYTBEFS) and the State, SONAGA, SONABANQUE, SOFISEDIT [Senegalese Financial Company for the Development of Industry and Tourism] and Assurbank have just been liquidated.

Union sources denounce "the violation of certain clauses" of the protocol of agreement signed by the two parties, which provides that the coordination committee in charge of the banking sector reform will find jobs for some employees. Yet, the protocol is explicit. It provides that rehiring will be based on certain criteria: the employees to be rehired are those who possess "integrity, competence, a potential for improvement, and family responsibilities." According to union sources, employees who do not meet these criteria were being retained by the interim Administrator.

Names were mentioned, including those of employees said to have made it easier for political figures to obtain loans, or not to have been models of integrity. Also, they deplore the fact that the administrator chose to retain three agents aged 55, 58 and 59, and to lay off younger employees instead of these older ones on the verge of retirement. Concerning the 10th point of the agreement, which exempts indemnities from any withholding for taxes and dues, workers state that this clause was not respected. They complain all the more about it, as the employees of some of the liquidated banks are beginning to receive their bonuses and this point of the agreement is not respected. Another point in dispute is the idea expressed by the coordinator in a service memorandum containing precisions on the State-SYTBEFS protocol of agreement: "Any agent aged 55 or more on the date this protocol is signed shall retire at the end of October, November or December, unless the service requires otherwise. He will receive his retirement severance pay as provided by law and regulations." According to a bank executive, no one at BNDS [Senegal National Development Bank] left at 55, but precisely at 60. He is for a strict application of the clause in the agreement. As far as the opening of the People's Bank is concerned, not much progress has been made. It is felt that as long as matters in dispute with banks have not been settled, its opening is a moot question. With all the problems still pending, could the new bank open soon? This is a good question: according to many sources, the Central Bank would require the new entity to be headed by a real banker rather than an administrator. One may wonder whether the problems that subsist at the BNDS, which is expected to house the new bank headquarters, are not the reason for the failure of the merged entity to start its operations, especially when one knows that the State, which hesitates to liquidate the BNDS, actually owes it an amount that some estimate at 106 billion CFA francs. In banking circles, there are rumors that the liquidation, by the State, of SONABANQUE and in particular of Sofisedit, the activities of which were taken over by BNDS, could quite simply amount to a return to square one.

*** Bank Workers Worry About Accord Implementation**

34190035C Dakar WAL FADJRI in French 3 Nov 89 pp 12-13

[Article by Mamadou Ndiaye: "Bank Restructuring: Debt as a Boomerang"]

[Text] The bank coordinator is accused of torpedoing the agreement of 19 October, which he signed. Will employees and executives take him to court? At any rate, not right now. They have learned from the USB [Senegalese Banking Union] lawsuit; they advocate another approach and take their case to the public.

The Senegalese banks involved in restructuring are entering the homestretch, winding up sooner than expected after the interim reform coordinator, Mr Abdoulaye Diop, hastily convened the general assemblies of BNDS [Senegal National Development Bank], SOFISEDIT [Senegalese Financial Company for the Development of Industry and Tourism], SONABANQUE and Assurbank. That was on 30 October. Of course, the invitations sent to shareholders mention the nature of the meetings, the agendas of which include, among other things, approval of the accounts, full discharge granted to the directors and...partial renewal of the boards of directors. Basically, however, the government's approach is the same in each case: it consists in eliminating the abovementioned entities, and the agreement signed with SYTBEFS [Union of Senegalese Bank and Financial Institution Workers] authorizes it to do so and also frees it from a few constraints.

Nine months of suspense and 1 month of negotiations punctuated with interruptions, led to the result we know: the closing of the books, the closing of the banks, extensive staff reductions, a 23-point agreement. With one unknown factor, however: it is uncertain whether the promises made will be kept. And there's the rub. So that the coordinator's subsequent actions, far from dissipating the apprehensions of bank employees, revive the polemic concerning certain key questions that were bitterly discussed at committee meetings. All parties to the debates are deemed to have signed the protocol, as is specified in point 23 of the document.

But in a masterstroke, on 23 October, that is, 5 days after the protocol was signed, Mr Abdoulaye Diop issued a service memorandum—the 13th of its kind—that in many respects contradicts the signed document. In addition to severance pay and the debts owed by employees to their institutions, the coordinator stresses more particularly the case of employees who qualify for retirement. In this respect, the protocol states (paragraph 2) that "employees who retire shall benefit from the same conditions as other laid-off employees." In addition, the first paragraph states that the age to be considered is "that set by current legislation." That is quite clear. Yet, the coordinator does not trouble himself with scruples when he rejects with one hand what he has accepted previously. His turnabout is incomprehensible, at least it confuses the employees. In his memorandum, Abdoulaye Diop writes, word for word, that all employees "aged 55 or more on the date when the protocol is signed shall have to retire no later than the end of December (...) and shall receive severance pay as provided under the law."

This measure affects several executives of the banks considered. At BNDS, there are 10 of them, including the assistant general manager. The measure could also affect a lot of executives in the other entities. Hence the widespread discontent among them. "It is common practice in all banks to retire at 60," they all say, pointing out that three billion CFA francs have been allocated for severance settlements. However, there is a so-called safeguard clause that provides that the budget provided cannot be exceeded.

The coordinator's repudiation of what he has signed is perceived by the employees both as a manifest sign of "bad faith" and as an intention to use "stalling tactics" to delay the payments made to those who are laid off. "The government is not content with making a legal coup d'etat; it insists on denying us our rights in spite of the many concessions we have made," an angry executive loudly complained. He added, this time more calmly, that the government's refusal to start bankruptcy proceedings is a cop-out, as the government does not want to face the recurring charges involved in the legal and financial liquidation of banking institutions. "We are the expiatory victims of a manipulation," added another executive, and in support of his views he quoted the coordinator's memorandum, which states that part of the executive personnel will be retained because of "service requirements." This phrase says a lot, he believes, in that it shows that the bank coordinator has a lot of room to maneuver. Another executive stated far more bluntly that Abdoulaye Diop could abuse this to "place his friends or his proteges."

Caught between the imperatives of restructuring and the necessities arising out of economic conditions, the government was engaged in a perilous balancing act: reducing bank staffs at the least cost while achieving considerable economic gain without displeasing too many. A difficult act. Tired of delays resulting from the consideration of various scenarios, the government resolved to adopt the only equation available: restructuring equals reducing bank staffs. For his part, the leader of the bank union, Doudou Issa Niasse, disclosed that it was under duress, but with the employees' support that SYTBEFS was "induced to negotiate." Mr Niasse makes up for the lack of pugnacity of his union with the hope that "these layoffs will be the last ones in this sector" and that "since the protocol is not an end in itself, safeguarding our interests will require increased vigilance."

Making Waves

He has got what he bargained for. Perhaps even more, since the coordinator intends to adjust the fiscal position

of all employees who owe money to their own bank. Doudou Issa Niasse does not breathe a word of this decision, which is likely to make waves. Because it is frankly astounding. Except for a few remarkable exceptions, all bank employees are overdrawn. The period preceding the completion of the protocol of agreement fostered complicity between executives and employees, as their interests converged in the face of an uncertain future. "What is going on in the banks to be restructured is very much like organized chaos," an executive observed, helplessly.

The amounts owed are so high that the coordinator had no choice but to shut off the tap. In other words, the amounts owed by the employees will be deducted from their indemnities and will also be reduced by part of their bonuses, under certain conditions. Those who owe less than 3.5 million CFA francs will benefit from a rebate. Because they are many and because they represent the backbone of SYTBEFS, they asked that their indemnities be exempted from all taxes and that nothing be withheld for taxes and salaries. But the union still has to write to the minister of economy who made it plain that final settlement will take place only after "individual cases have been clarified and straightened out."

There is no way out and many are regreting the debts made "out of stupidity" now that they must face still harder times. A meager consolation is that internal loans authorized by banks will be paid by the employer. As you can see, the convergence of interests between executives and low-level employees was only the result of economic conditions.

The sentence in the protocol falls like an ax and forces both parties to find some recourse, but separately. To this financial imbroglio we should add the freezing of over 12 billion CFA francs representing the deposits of individuals who do not know where to turn to recover their assets. This dark picture would not be complete if we did not mention the questionable debts authorized in ways that totally conflicted with sound banking practices.

There will be no quiet spell on the banking front in the near future.

* Details on Accord Between Bank Unions, State

34190025B Dakar LE SOLEIL in French 20 Oct 89 p 5

[Text] Initiated on 1 August 1989, negotiations between the government, the BNDS [Senegalese National Development Bank], SONAGA/SONABANQUE [expansion unknown], SOFISEDIT [Senegalese Financial Company for the Development of Industry and Tourism], and Assurbank on one side, and the CNTS [National Confederation of Senegalese Workers] and the Union of Senegalese Bank and Financial Institution Workers (SYTBEFS) on the other, ended yesterday with agreements on modalities to compensate the personnel to be cut.

The length of the negotiations is undoubtedly indicative of the bitterness of the negotiations called for as a result of the restructuring of the banking system required of all member states of the UMOA [West African Monetary Union]. In the end, an agreement protocol containing 23 points was signed by the government and SYTBEFS, both of which agreed to apply the terms of the agreements based on the union's list of demands. Previously existing situations will be resolved on a sectoral basis.

For the BNDS, the two parties agreed to apply the results of the work of the promotion committee and to reclassify employees appointed or assigned to higher positions by decision of the general manager. Moreover, they agreed to upgrade employees with diplomas recognized and classified by the APB [Professional Banking Association], while in the case of COFEB [West African Center for Bank Training and Studies] diplomas, the acting director will request the opinion of the APB. Regularization will follow on a case-by-case basis. As for Assurbank, the parties have agreed to upgrade a secretary who obtained his CAP [Vocational Aptitude Certificate].

As for SOFISEDIT, the parties agreed to bring salaries into line. With regard to the salary scale, whenever an injustice is found, the situation will be regularized. They agreed to upgrade employees appointed or assigned to higher positions by decision of the general manager. As for SONAGA/SONABANQUE, the parties agreed to bring minimum bonus payments and salary schedules into line with the USB scale of 30 June 1989 and to regularize the case of employees whose diplomas are recognized and classified by the APB or those who were appointed by department memorandum from the general management. In the case of the COFEB diploma, the general director will request approval from the APB and regularization will follow on a case-by-case basis.

Legal Allowances

With regard to the legal re-adjusted salary base allowance, the two parties agreed to raise it by 50 percent for all sections. Earned vacation will be paid. And then, the principle of paying agents to be cut an additional allowance called a bonus was adopted. "It will be computed on the basis of a salary equivalent to a number of months calculated on the basis of precise seniority brackets." From 1 to 5 years, 8 months of wages will be paid. From 5 to 10 years, the equivalent of 10 months will be paid, from 10 to 15 years, 12 months' wages, from 15 to 20 years of service 13 months' wages will be paid, from 20 to 25 years 14 months, and for over 25 years' service, 15 months wages will be paid.

For all employees whose jobs are cut, uniform compensation equivalent to 3 months' wages will be paid. In the case of the traditional bonuses and for the BNDS, the balance sheet bonus will be paid, the 13th month will be paid, the profit bonus based on one month and a half will be paid after approval by the Office of the President of the Republic, which will be informed by the acting director, while the collection bonus will be paid only to

those employees who are entitled to it, following the usual procedures of the BNDS.

For Assurbank, the 13th and 14th months of this year will be paid, as they will at SOFISEDIT, in accordance with usual practices. As for SONAGA/SONABANQUE, the 13th month, which is traditional, will be paid, while the balance sheet bonus, readjusted 1987-88 salary base, and 1988-89 base will be paid subject to the approval of the Office of the President of the Republic, which will receive a report from the acting director.

Subject to justification, the bonus related to the work medal will be paid to all agents at all the banks concerned. Internal indebtedness, after deducting a lump sum of 3.5 million francs, will be reduced by part of the bonus. Thus from 0 to 3.5 million, there will be 0 percent of the bonus, from 3.5 to 5 million 20 percent, from 5 to 10 million 30 percent, from 10 to 15 million 40 percent, from 15 to 20 million 70 percent, and over 20 million 80 percent of the bonus. "Any remaining balance will be completely erased by the employer, and the internal credit of employees kept on the job will be bought back by the new institutions and, pursuant to the law, credits secured by banks will be paid by the employer."

Social Security Cases

SYTBEFS has agreed to withdraw from its list of demands the item relating to compensatory allowances. Social security cases will be reviewed and submitted to the acting director for his attention. As for taxes, workers in all banks have requested that their allowances be exempt from any withholding for taxes on wages, and it was decided that SYTBEFS would submit a written request to this effect to the minister of economy and finance.

Item 11 regarding freedom of choice states that employees of the banks concerned "who received a job offer but rejected the transfer would be regarded as having been cut. Failure to reply within the time indicated (the date postmarked on the acknowledgement of receipt) will be regarded as a rejection of the offer."

In the event employees who were to be transferred to the new bank reject the new job placement, another employee of one of the banks concerned with the same professional qualifications in accordance with the selection criteria used will be given preference to occupy the vacant post. In the case of employees who are supposed to keep their posts in the collection structure and who leave their jobs, another person on the list of employees to be cut with the same professional qualifications will be given priority for the vacant post. "The two parties have agreed to give priority to the employees laid off in the event of any later job openings, if these persons fulfill the qualification and recruitment criteria determined by the new structure. To prevent the cost of departing candidates from affecting the amount allocated for restructuring, the administration has proposed a safeguard-clause related to a minimum for departing personnel. The cost of departing personnel may not in any case exceed the amount earmarked for this purpose."

Job Guarantee

With regard to job guarantees, "the two parties agreed that the terms of the protocol governing departing staff should be applicable to any employee who is laid off by the new collection structure in the future." The age determined for retirement is the one fixed in prevailing laws; the conditions of departure will be the same as those for other employees laid off. The employer will be responsible for full payment of their contribution. But, on an exceptional basis, this provision is applicable to agents over 48 years of age who have been working in the profession at least 30 years. In the specific case of agents of less than 42 years of age with at least 20 years service in the bank, a request will be submitted by the union to the acting director. Item 14 says that "training in line with the employment policy established by the government is required. The government will set up a job retraining program and will take all the necessary steps to ensure that all employees who wish to do so may participate in a 3-month training program. All the costs of this training and transportation will be borne by the government."

For the medical coverage provided to the employee and his family by the government, the two parties have agreed that the government will pay a lump-sum contribution of 50,000 francs to an insurance company selected by SYTBEFS.

For new job placements of persons laid off, adequate measures must be adopted by the government to expedite examination (evaluation and financing) of the situations of those agents who may request credits from national funds for new job placements. Criteria for selecting agents to be incorporated into the new structures will include integrity, competence, potential for further training, and family situation. 185 employees will be assigned to the two structures, or 10 agents more than the express request made by Madia Diop and Doudou Issa Niasse. A special allowance will be paid to laid-off officers and higher ranking employees.

For Assurbank, seniority will be considered. Finally, in the event of a sale, tangible and intangible assets of banks will be sold on a priority basis to [text missing].

* Labor Leader Caught Between Militants, State

34190022B Dakar WAL FADJRI in French 6 Oct 89 p 9

[Article by A. Camara: "Madia Between Two Fires"]

[Text] On 4 October, there was a crowd at 12 Avenue Lamine Gueye where a meeting of the CNTS [National Confederation of Senegalese Workers] was scheduled to meet. Hundreds of militants had come to hear the

decisions that the confederation board was to make following the enactment of Bill No. 29/89 and Bill No. 31/89. Everybody expected a day filled with action "to have the government go back on its measures." However, they just wasted their time since the CNTS board decided to take its time.

Mr Madia Diop justified the action by saying, "Decisions will be made democratically. In order to do this we will convene grassroots authorities to discuss measures to be adopted. Subsequently we will contact independent trade unions to work out together a plan of action on the basis of decisions made by our authorities." In other words, the CNTS board, while refusing to opt for superficial reactions is managing at the same time to avoid the possibility of having a direct confrontation with the government.

The CNTS secretary general is thus caught between two fires. He needs both the government as well as the confederation grassroots. The government has permitted him to produce a void around him and protects him from the wave of disputes that have broken out within the CNTS where reformist tendencies have been created. In another respect, although in a minority in his trade union of origin, namely the food industries, an examination of the new laws serves him as a life buoy to regain some of his popularity.

Therefore, in the National Assembly he has hardened his position vis-a-vis the government and with regard to his militants he is refusing that "strong and immediate counterattack" that the coordinating body of independent trade unions advocates. He has such a knack for maneuvering above the heights that one would say he is a tightrope walker. However, this time his margin for maneuver is very narrow.

In the upper levels of government this kind of departure by Madia Diop is not analyzed as a sign of strength but rather as a reflexion of the weakness of a man who, incapable of keeping his men under control and conveying the message of adjustment to the ranks of workers, prefers seeking refuge in the logic of confrontation in order to avoid being swept away by contrary currents. "Because Madia knows that confronted with the present situation he has nothing else to do but take such measures." Therefore, if, through this vote in the National Assembly, the CNTS secretary general does not succeed in assembling unanimity around him there is no doubt that the government will not at all spare him in order to make him pay for the hard times it had to endure over these past few days.

We are only at the premises of social sacrifices and when the potion will become still more bitter, a man with less assertive moods than Madia Diop will be necessary for the government.

* Government Labor Bill Passed; Deputies Demur

* Union Deputies Reject Bill

34190020A Dakar SUD HEBDO in French
5 Oct 89 p 1

[Text] The 12 Socialist Party (PS) deputies who are members of the National Confederation of Senegalese Workers (CNTS) voted yesterday as a bloc against the draft law amending Articles 22 and 23 of the Investment Code and establishing the statute for the Dakar industrial free zone. On the other hand, they added their votes to those of the other PS deputies in favor of the approval of other draft laws included on the agenda for the special session that adjourned yesterday. These included, in particular, those pertaining to the establishment of the National Railroad Company, the political parties, and amendment of the Electoral Code.

The rejection of these draft laws by the deputies who are members of the CNTS, who say that approval of them would be "an undertaking to strip protection from the workers, a questioning of certain provisions of the Labor Code," has inevitably raised questions. Does this represent a dissident view, a rejection of the social policy of the government, or is it simply the result of pressure from the base level of the CNTS, which is increasingly skeptical about the sound basis for responsible participation?

* Labor Tension Over Strike

34190020B Dakar SUD HEBDO in French
5 Oct 89 pp 4-5

[Article by H.B.: "Possibility of Strike Excluded"]

[Text] The General Assembly meeting held yesterday afternoon by the CNTS [National Confederation of Senegalese Workers], which had been awaited with great interest following the parliamentary vote on the draft laws, did not lead to a strike action, as had been feared.

The officials in the CNTS bureau urged moderation, stating that the battle will be long and difficult, and that the union promises to fight for the revocation of the texts approved.

However, the first speakers, in particular Oumar Sane, the assistant to the secretary general, Daouda Seck, were called to public account and charged with having "sold out." It took the very persuasive address by Madia Diop to calm the overheated audience to some degree. Very much at his ease, the secretary general of the CNTS explained to the members that there is no question, in the view of the union, of undertaking a strike action before having consulted the regions, based on the principles of trade-union democracy. "Don't be hasty—a battle will be waged for the revocation of the laws approved today. Even Law 8001, which was approved some years ago, was finally revoked after a year," he pointed out to the members, who remained unmoved. In conclusion, he told his listeners that, after all, the bureau

of the organization will meet together with the trade unions and all of the national delegates to adopt a plan of action for the struggle, which should begin shortly with a national action campaign. Such a meeting seemed to those at the General Assembly hardly more than a joke. No delegate took the floor to speak against the desire of the workers, who have insisted on this issue for a long time.

One could also note a serious split within the interunion commission established just following the "declaration of war" by the bureau of the association. Mandated by the autonomous trade unions to speak on behalf of their comrades, the representative of the SUTELEC [expansion unknown], Sheikh Mane, was short-circuited, pure and simple, by the CNTS, which made the unilateral decision to recognize Djibril Diop, of the UTLS [expansion unknown], although he had not been forewarned of this responsibility. This was the cause of the frustration of the representatives of the UDEN [Teachers Democratic Union], the SUTELEC, and the SUTSAS [Single Union of Health and Welfare Workers]. According to certain sources, the autonomous trade unions had drafted a series of proposals for action that they were to submit to the Assembly for approval at the end of the meeting. The SUTELEC delegate who was to read these proposals was not recognized. Was this a premeditated move on the part of the CNTS and its allies within the autonomous movement to counteract the radicals who might be likely to influence the base level? The officials of the unions that suffered from this procedure have vowed to draw the proper conclusions from their alliance with the CNTS. And this is what is likely to revive the debate about responsible participation again. It should also be noted that within the central trade union itself, dissension developed after certain officials reportedly refused to endorse the radical line recently approved.

* Labor Legislation Rationale

34190020C Dakar SUD HEBDO in French 5 Oct 89 p 5

[Article by Demba Ndiaye]

[Text] This historic second special session of the National Assembly that adjourned yesterday was brought to an end for more than one reason. First of all, there was the unusual deployment of agents of law and order on the floor of the Assembly; then there was the massive presence of members of the CNTS [National Confederation of Senegalese Workers]; and finally and above all, a very rare occurrence, the PS [Socialist Party] deputies mounted an attack in opposition to other PS deputies and the government. The CNTS deputies voted as a bloc to reject the draft laws that would modify Article 22 and 23 of the Investment Code and establish the statute for the industrial free zone. On the contrary, they voted to approve the draft laws establishing the National Railroad Company, amending the Electoral Code, and pertaining to the administrative reorganization of the region of Dakar, the political parties, and ratification of the United Nations convention on drug trafficking.

The target of the crime—this inter-PS rebellion (because the PDS [Senegalese Democratic Party] ignored this session)—was the government's desire to push liberal logic (too liberal, the trade unionists say) to the extreme. And the draft law (which in the end was approved) leaves no room for misunderstanding. "Thus it is a question of allowing new enterprises to have operational flexibility when it comes to new jobs to be created, making the rules pertaining to the signing of labor contracts for a given period more flexible, and reorganizing the procedure for economic dismissal by the PME [small and medium-size businesses]." Kicking over the traces, the deputies who are members of the CNTS (before being PS members, they would specify), view the facilities provided for the those who establish companies in the future as an undertaking to "strip protection" from the workers, making their status more precarious and systematically emptying the Labor Code of its content.

It is difficult to be a deputy representing the majority (supporting the government) and a member of a trade union (the defender of the interests of its members). This is a drama worthy of Corneille, which was expressed by Deputy Doudou Issa Niasse, the boss of the bank workers' trade union, among other speakers. "Here there are only socialist deputies, and among them, those who have decided to defend the workers." And it was for Louis Dacosta to establish the limits of this generosity and the dangers "of a strike that would be infiltrated by bogeymen." Moreover, if the "dissident" deputies approved the draft law, the "party and the government would help them to do the work of explanation." The discussion took a true vaudeville turn when thrusts such as "how can you hope to protect the workers if there is no work" and "what purpose does it serve to work if one has no rights" began to be made.

Minister of Planning and Cooperation Djibo Ka was easily able to calm the fears and doubts of his party comrades by making it clear that the law is not retroactive (it does not apply to existing enterprises), that the current provisions of Articles 35 and 47 remain in effect, and that the World Bank has nothing to do with this project. But nevertheless, the trade unionists were not reassured. On the contrary, in the opinion of Madia Diop, the secretary general of the CNTS, and his friends, there can be no question of legalizing or endorsing two-speed labor legislation—one law for the existing enterprises and another for those to be established in the future. For the rest, he has no confidence at all in the bosses, who, using economic difficulties as their justification, file their balance sheets, liquidate their businesses, and establish "new" ones in order to benefit from the new provisions. In what Djibo Ka vigorously rejects, he sees a Machiavellian aspect, one of which he does not believe our economic operators are capable, because "patriotism is not a characteristic of the employees

alone." Madia Diop puts forth commonplace considerations, adding in a pathetic tone "that it happens in the life of a man that a moment comes when honor overrides ideologies and parties and stands firm as a real truth." It is a question of principle and honor, then. But will they stand up against the principles of governmental support, responsible participation, and above all, reasons of state? Will there be a schism within the PS parliamentary group? A disavowal of the policy (a part of the policy) of the government, or intensive pressure on the part of a disturbed trade-union base? A little bit of all of these things, without a doubt. In any case, one thing is certain. From this point on, Abdou Diouf has challengers of his policy within his own ranks. And it will be difficult to say that the opposition has much to do with it, since Madia Diop does not have the reputation of being a "mole" infiltrated into the PS for subversive purposes. The reality is simpler—in this period of deflation on all sides, doubt has developed as to the possibility of a boom in employment, even with exorbitant facilities provided.

* Tariff Hike Unpopular With Labor, Consumers

34190019C Dakar SUD HEBDO in French
5 Oct 89 pp 1, 3

[Article by Sidy Gaye: "A Stormy Beginning for the New Political Year"]

[Text] While the rainy season is past, and the vacation period with it, the Senegalese political landscape is overcast with a strange accumulation of dense clouds. This coincides with the beginning of the new political year, which is looking as if it might be very stormy.

Naturally, because there has been something close to invective within the country, as well as beyond its frontiers, a number of Senegalese citizens have begun to think that nothing could happen to them that would be worse than the serious events that have followed one upon another at regular intervals in these last 20 months.

From the post-electoral events in February 1988 to the masked economic war that is today forcing "vacationers" from the south to circle around Gambia in returning to Ziguinchor, and including the school and university crises, with the unproductive year they experienced, the political trials and the intercommunity pogroms, the wounds caused, to be truthful, have been so frequent and so deep that a real sense of exhaustion has finally taken over the best-tempered minds.

The awakening could hardly be other than more brutal, at least to judge from the new dangers posed by the first issues to come up in the new season.

Following a logic of sterile confrontation, which is without a doubt the first mystery of his present 5-year term, President Abdou Diouf chose the occasion of this new political season to attack on all the domestic fronts almost simultaneously, as if, guided by a strange determinism, he inevitably had to compensate, in terms of domestic difficulties, for the deceptive calm that has again been seen on the foreign fronts in these recent weeks.

This maximalist approach, in favor of which there may be arguments, or which may, more simply, be the result of foreign pressures, hardly serves in any case to confirm the image of a president in whom even his most relentless enemies recognize a certain patience and an clear sense of proportion, at the very least.

It is, however, through the use of an unprecedented iron hand where his own political supporters, the opposition parties, and important fringes of civilian society are concerned, that Abdou Diouf has brought himself back into the awareness of those he governs. And they will definitely need some time before they can one day understand the true impulses and motives of their president.

The first front rashly established by the government of President Abdou Diouf took the form of (temporary?) abandonment of the beginnings of tariff reductions, with an upward amendment, going against the policies previously launched, to the table of import and export duties pertaining to the customs regime. This measure, which the minister delegate in charge of finance, Moussa Toure, has tried in vain to justify, has an unusual aspect. For the first time since the initiation of the new economic policies, it has succeeded in putting the industrialists, merchants, and consumers on the same demarcation line with regard to a government that they jointly, and not without reason, accuse of selling out their interests through incredible budget thrusts designed to cover deficits for which they are not responsible.

The merchants, who made themselves visible in the front line as of 25 September by means of a campaign of protest seem to have understood the obvious deterioration of the purchasing power of their customers, and the extremely fragile status of household demand, better than the government experts. The industrialists in whose manufacturing processes certain of the targeted products are involved, for their part, are fearful of any slump that might result in a future decline in competitive capacity at the very moment when (miseries never come singly) the cost of energy is going up a bit. And finally, the consumers, which is to say all of the citizens of Senegal who have followed the "explanations," have clearly understood that it is they who will surely feel the effects of the increases first, as a result of the policy of truth in pricing imposed by the foreign partners.

As can be seen, this issue alone could be a potential source of tension between the government and the trade unions, if these fears were to be confirmed in practice. But one can only assume that this was not enough to occupy the attention of the government, which has at the same time undertaken to get the commissions in the National Assembly to approve draft laws designed to eliminate job security and greater flexibility for the Senegalese labor market.

The clear understanding on the part of these same trade unionists, as well as the parliament, will, moreover, be put to a harsh test with the reintroduction for a second reading, during this same session, of a draft law designed to reestablish Balkanization (OPCE-TELESENEGAL [Senegal International Telecommunications Company] version) with regard to the present Senegal Railroad Administration.

All of these issues, which are politically charged because they were previously rejected by the PS [Socialist Party] deputies, were the subject of a new end-of-the-year examination yesterday during the plenary meetings in the course of this extraordinary National Assembly session.

Even if approved without difficulty, these measures would still have to win the support of the other components of the nation. This would entail a promotion campaign made the more difficult because the government today is farther removed than ever from the other political lines of thinking.

President Diouf, who has already come up against the resistance of the merchants, industrialists, consumers, trade-union members, and other deputies, has in fact found a way to add to it by submitting to the current session of the parliament two draft laws that would amend the Electoral Code, on the one hand, and establish political party statutes, on the other. These proposals, withdrawn earlier to show a certain willingness to compromise, have just been reintroduced to the parliament unilaterally, thus crystallizing the (final?) disruption of the dialogue among the various players on the Senegalese political chessboard. It is feared that even if it could be defused, this situation of domestic guerrilla warfare would impose a triple penalty on Senegal. The first threat is because of the fact that while it places the indispensable domestic stability in jeopardy, this all-out clash is simultaneously frightening foreign capital away and speeding up the flight of foreign exchange to happier climes.

This atmosphere of continuing tension also diverts the state from its most basic duties, at a time when the new flow of trade exchange and traffic between the coastal countries and those in the interior is developing to the disadvantage of the Senegalese industrialists and merchants, thanks precisely to the conflicts between us and our neighbors.

Finally, the third kind of harm done has been keenly felt since the outbreak of the Mauritanian crisis, because it is assuredly the chronic instability within its frontiers which makes Senegal vulnerable to all of the covetous desires, and encourages all of the pretensions, of other countries. To allow this tension to continue, whatever the reasons might be, would come down to sacrificing an additional portion of the country's credibility and reputation with every passing day—in short, entire aspects of a common intangible heritage. It would take the people of Senegal a much longer time to win these things back definitively, within a context that would in addition be more competitive.

* IMF Measures Spread Social Discontent

34190018C Dakar WAL FADJRI in French 6 Oct 89 p 7

[Article by Abdou Sow]

[Text] As of the day after the last election, we saw very clearly what this country could become if we continue to apply the stupid measures decreed by the IMF and the World Bank. By each day requiring more sacrifices by the people and imposing more and more unacceptable privations on them—a high cost of living, salary freezes, unemployment, deflation—we have come to the last straw, where the spirit of revolt drowns out all other considerations. We could not accuse the people of lacking patience, however. They have endured the whole train of harsh measures heaped on by the government in its implementation of a structural adjustment policy closely and sternly scrutinized by the international financial institutions. Now these institutions have confiscated the principal instruments of political decisionmaking and the management of public affairs. Even our legislature is obliged to pass laws the deputies know lack popular support and the effectiveness of which they doubt.

The administration is, therefore, in the position of managing a social crisis far more serious and deep than the one that erupted 29 February 1988. The attacks on jobs and workers' buying power contained in the IMF and World Bank directives no longer touch just the botton of the social ladder. They also stir up against the government the middle classes, who have been relatively untouched by these measures before but who now feel them keenly.

The administration must face widespread discontent without any solid support in quelling possible outbreaks of social disorder. Even the CNTS [National Confederation of Senegalese Workers], naturally in line behind all the administration's moves, feels obligated to oppose the government's unforgivable docility before the international financial institutions. This stand by the CNTS, a departure from the principal of responsible participation, is explained on the one hand by the affiliation's desire to hold on to what remains of its credibility, and, on the other hand, by the growing threat of the UDTS [Democratic Union of Senegalese Workers], a competing affiliation that stands to see its ranks swell with a tide of disillusioned CNTS members.

The religious brotherhoods, which, traditionally, the government utilized to rally the people, are no longer disposed to collaborate with the administration. The head of the Tidjania Muslim brotherhood moved toward a degree of political neutrality several years ago; the new leader of the Mourides seems very reluctant even to

appear to take a partisan position. This same nonengagement was adopted long ago by the head of the Catholic Church of Senegal. As for the Socialist Party, it is hopelessly snarled in internal differences.

The administration understands the situation very well, and the financial institutions must really have it by the throat for it to risk pushing unpopular legislation at such a critical time, when it no longer holds the reins of the structures that usually help it control the nation tightly. That leaves no choice but to fall back on repressive measures to put down possible disturbances. In any case, this is the risky position of the authorities. Now the requirements of the IMF and the World Bank become not just stupid but also dangerous as well, since no one can foresee the outcome of a general upheaval of Senegalese society if it rejects the adjustment plan. The administration, wanting to get the jump on the political mileage the opposition could gain from this discontent, is having its parliamentary majority pass laws to allow the minister of interior to dissolve this or that party.

In this way, by an uncontrolled twist of events, the application of the drastic policies of the IMF and the World Bank is winding up as a serious threat to Senegalese democracy. Maybe this is intentional, since the countries who have made the most progress according to the criteria of these financial institutions are the military regimes that violently put down any suspicion of a popular struggle against the adjustment policies. Captain Rawlings' Ghana and General Pinochet's Chile are the IMF's and the World Bank's model pupils. Other economic success stories, like South Korea, look like mirages to poor countries whose economies suffer the financial institutions' meddling.

To strip the last illusions from anyone enchanted by the South Korean model, we must stress that this country maintains a very powerful public sector and that it is under the gun of a military oligarchy using dictatorial methods. The unions there are under the control of the "Anguil-Bu," the political police, and the peasants are organized into the "Saimaul Udong," a cooperative movement utilizing very coercive methods. The great private enterprises, the "Cheibols," are also more often than not headed by former military. And, on top of all that, South Korea has received constant support from the United States that has a stake in the country's economic takeoff, something which would make it immune to communist temptation. No African country has been courted similarly. And yet, substantial aid from the rich nations would have helped the continent's poor countries pull themselves out of their misery. For example, in 1960, Senegal's per capita GNP [gross national product] was higher than South Korea's.

Getting back to the grave threats the structural adjustment plan poses for Senegal, it is clear that excessive layoffs and the dismantling of the public sector will only create new social problems. Mr Babacar Ndiaye, president of the African Development Bank, told African chiefs of state some time ago it was necessary to "watch out that the balance does not tip too far in favor of the private sector, because in Africa the public sector still has a fundamental role to play."

We should heed that. But the Senegalese Government, too deeply in debt to the IMF and the World Bank, is no longer up to saying no and thinks the only way out is total application of every measure handed down by these institutions. Today the authorities are in the position of a poker player who, having lost too much, is obliged to bet the shirt on his back to recover. At stake is nothing less than the future of Senegal's political system, and the question now is whether a speedy adjustment is worth more than a carefully constructed democracy.

* World Bank Wants Reform in Exchange for Credit

34190011A Dakar WAL FADJRI in French 8 Sep 89 pp 7-11

[Article by Mamadou Ndiaye; first paragraph is WAL FADJRI introduction]

[Text] The government has released the growth-rate figure of 4 percent, raising hopes of a recovery or at least a breathing spell after the hard days of belt-tightening. None of that is to be, though: If 1988 saw a jump in per capita income, 1989 hurled us back into decline. We could point the finger of blame at the grasshopper infestation, inadequate rainfall, the crisis between Senegal and Mauritania, or maybe just a statistical manipulation to spark hopes of a turnaround. Everything keeps going awry, and austerity must become even more austere, according to the program drawn up by the World Bank, if Senegal is to receive its fourth structural adjustment loan [SAL].

July was the month for diagnosis. At the end of a more than 20-day stay in our country, a mission from the World Bank undertook a wide-reaching reexamination of the government's macroeconomic policy, summed up in a document (approximately 20 pages long) setting out a whole artillery of measures to be implemented before 20 September. Stamped "Confidential," the document, nevertheless, found its way to our offices. It did so in spite of the practice of "closed doors" and other ultrasecret meetings that punctuated the work of the special agents. Composed of a team of interdisciplinary experts in the economics of development, the mission, led by Mr Mustapha Rouis, enlisted the services of three resident experts and the intermittent participation of Mr Patorni, the resident representative of the World Bank, and the presence of a team from the African Development Bank (ADB). Across the table from them sat Senegal's delegation headed by Abdoul Aziz Diop, coordinator of the Oversight Committee for Economic Policy Programs.

Issued in several sections, the memorandum from these deliberations comprised five chapters addressing the economic situation, private-sector development incentives, parastatal sector reforms, civil service reforms, and social impacts of adjustment. The mission had a double objective: to nail down with the Senegalese Government

a blueprint and a precise schedule for the work to be accomplished as a condition for receiving the fourth structural adjustment loan. Consensus was reached on at least one point: in the eyes of the participants, Senegal's economy is sick, maybe even dying. The symptoms: the drop of at least 40 percent in rural revenues, and the fall in tax receipts, to 30 billion CFA francs. The mission reproached the government for making matters worse by dragging its feet in applying revenue-raising measures.

Both the government and the mission agree that revenue increases are the key to optimizing the economy. Two paths could lead Senegal to this objective: either a 1-year across-the-board tariff hike of 10 to 15 percent, applied to both taxes and duties; or a temporary 5-point hike, also for 1 year, but extended to include the Dfr [expansion unknown]. In the end the government chose the first alternative, and the implementation on 4 September of a memo from Jean Collin conveys a sense of seriousness. The consequence is that the tariff changes entail price hikes and the introduction of floor prices that make business uncomfortable and depress consumer buying power. In addition, the expected revenue increase also assumes a substantial reduction in energy costs. Employers like that. In the eyes of the World Bank, the loosening of constraints give the economy a boost that the cost reductions help along. Until now, though, taxes were eating away at the finances of businesses, who tried, as a remedy, passing them on as production costs.

The mission went on to note the crippling rigidity of the labor market. The government's representatives at the negotiations shared this view. Together they are calling for breaking up the monopoly on hiring by the Labor Ministry (already enacted) and a sweeping revision of Article 35 of the Labor Code. According to them, these two obstacles are blocking the recovery of the private sector.

Dissatisfied with results to date, the mission is pressing the government to specify "by order the conditions under Article 35 in which business can use limited duration contracts in the case of extra activity." This is clearly a carte blanche for employers. This flexibility in hiring, extended to all firms approved under the Investment Code, included the possibility—something really new—of using limited duration contracts over a period of 5 years! On the heels of this innovation comes another one unshackling PME's [small and medium-sized businesses] from Labor's regulations that compelled them to obtain its permission before laying off workers for economic reasons.

Grants Restricted

With Olympian sangfroid, the World Bank's team of experts espressed regrets that the recommended measures were only a partial answer to the needed changes in the labor market. The government lost no time echoing this assertion, taking the risk of a 3-year freeze of the [SMIC] minimum guaranteed interindustry wage, considered "too high in comparison with the countries with which Senegal competes."

The invocation of market forces is tempting the government, which is taking up a liberal fantasy in spite of its socialist stand. Survival instincts are pushing the state to take actions without measuring either their reach or their effects. Furthermore, it is relying on the market to do what it can no longer do itself.

This could be realism or abdication. It is difficult to decide which, but the lyrical oration by Djibo Ka on 5 September during the PS' [Socialist Party's] summer convocation restates what is at stake in the state's modernization and the need for broader initiatives. Although the objective is clear, the steps to reach it are not. The party draws its strength from the state, where it recruits most of its political personnel. By agreeing to prune over 5,000 civil-service employees [from its ranks], the state risks cutting enthusiastic partisans, at the same time sawing itself off from a source of important political alliances. This is especially true since the private sector appeals more to talent and organization than to laxism and dash. Clearly the state must take a new tack; the implications for the political landscape should emerge in the near future.

After combing the books of several companies, the mission suggested tightening up on grants to public enterprises. Among the 18 public establishments under the Central Accounting Office, 10 had racked up nearly 16.7 billion CFA francs in cost overruns as of 26 June 1989, nearly the end of the fiscal year. The overruns financed working capital, contrary to all orthodox management practices and in spite of Treasury assistance. On the bright side—or not, it depends—this assistance came from public enterprises with surpluses. According to the Rouis mission, the Central Accounting Office has been negligent in managing these crossed accounts. The mission also deplores the extent of the phenomenon, reported to be so widespread that it is encouraging "inefficiency on the part of the beneficiaries while hindering enterprises with surpluses from maximizing their incomes." At the bottom line, the state owes 32.9 billion CFA francs to public enterprises that owe the state 55.7 billion CFA francs. These figures, the report adds, "only cover crossed accounts involving the state and do not include those between public companies themselves."

Salary Cuts

At one point the government considered transforming these overruns into legitimate budget items. The mission rejected this solution, however, on the pretext that the borrowing financed operating expenses. Numerous company heads spent millions on themselves for luxury cars and expensive and extravagant office furniture, while all the time their businesses were performing short of their directors' expectations. The mission's proposal is a freeze, then cancellation of overruns prior to June 1986 and progressive rectification of the sums run up since

that time. In addition, the experts are calling on the government to fully unravel the crossed funds in dispute and draw up an "acceptable" payment plan to submit to the World Bank before the 20 September negotiations.

A veritable economic whirlwind is swirling around the cuts and the threat of price increases expected to follow the new tax and customs reforms. The havoc will be massive. Efforts at reform are suffering the World Bank's withering gaze. The bank is eliminating, as if by magic, the social dimension of adjustment and is focusing its intervention on an unlikely return to equilibrium among the large aggregates. The mission approves of the privatizations under way and is urging a faster pace. France, Great Britain, and Canada already have dispatched full- or part-time consultants to assist Mr Tidjane Sylla, assigned to parastatal sector reform. Mr Sylla has already promised to send the World Bank final plans for liquidating 12 establishments, five of which are reportedly named, before the meeting of the Bank's Board of Governors.

The presence of two management heavyweights, Babacar Diouf and Lamine Niang, at all the meetings, reveals a modest comeback for employers. Not long ago, they were excluded from the advisory committee by the World Bank, which waved a banner of impartiality on questions of disengagement and the policy of liberalization. Mr Abdoul Mbaye of the BHS [expansion unknown] assured employer representation at these deliberations.

At the same time, the possibility of privatization lurks in the wings during the restructuring of various public enterprises, including Coud (University) and ISRA (Research), and institutional reform indispensable to "help public enterprises fulfill their acknowledged objectives." In the same vein, the commission recommends simplifying business organization and eliminating special controls. This means an end to the veto power of the Center for Public Establishments (CPE) on the boards of directors of public companies. Dissolution of the CPE, and probably the Central Accounting Office and the Office of Financial Operations Control, is contemplated down the road. Changing the status of several public enterprises to national companies strengthens their autonomy since state supervision will be less thorny. As a consequence, governing boards are being reconstituted more openly, so that their members may be chosen on the basis of expertise and not according to interest group connections.

In targeting civil service reform, the mission probably has tackled the government's most critical policy direction. The mission's first complaint was too many bureaucrats. Its solution is drastic reductions. As for how to go about them, the mission is silent, but "advises" the government to hold the salary budget to a 125 billion limit, including civil servants on detachment to Senegal's communes. The mission has learned from experience to sneak up on the issue of these cuts and is using salary budget reductions as a code word. The mission wants reductions. The government agrees but sees itself walking into a trap: reductions are political quicksand. All the studies conducted to estimate the cuts in the work force have been well received. On the negative side, the mission has found that "agents have been put on the books...in an irregular manner." To get a clear view of the situation, the mission requested and got a new study, being conducted by the Organization and Methods Office (BOM). Its findings are awaited with much anxiety.

Of course, controlling the salary budget means rigorous personnel management, administratively and financially. The mission has flagged persistent weaknesses. The Project for Development Management Support has, for lack of supervision, slipped from its schedule, hindering the mission. An advertisement for six civil service slots was published 2 September. Their unenviable assignment: the reductions.

The government, also under the gun, must cushion the shocks and apportion the bloodletting from the decisions it is to make before 20 September.

Excerpts From the Document—The Fatal Potion

14. (...) a—It (Editor's note: the mission) recognizes the need to give the textile, match, and battery industries temporary favorable treatment (for 1 or 2 years at the most) to allow them to carry out and consolidate their restructuring, and it suggests that before the presentation of SAL IV to the Board of Governors, the government issue an order stating the dates when exemptions from taxes and duties (as appropriate) will be cancelled for these industries. The mission strongly discourages an extension of such favorable treatment to other industries;...

(...) The government has proposed a compromise of raising customs and taxes, except the Dfr, by 5 points. It suggests that an evaluation take place one year after adoption of these measures and appropriate and mutually agreeable measures follow. For the three sectors, textiles, matches, and batteries, receiving favorable treatment, the government proposes cancelling this treatment within 2 years for the match industry and within 3 years for textiles and batteries. The World Bank mission has stated that adopting anything different would jeopardize the presentation of SAL IV to the Bank's Board of Governors.

[Editorial comment] No one can tell us that these negotiations have been conducted without pressure and that Senegal is not letting anything be pushed down its throat.

19. Consolidation of the System of Programming and Budgeting Investments [PTIP?]

Improvements are needed in evaluation methods and practices and in the thoroughness of the PTIP (i.e., projects not included in the PTIP should not be implemented), and the impact of recurrent expenses must be incorporated systematically in analyzing the investment program. First, this effort should focus on the transportation, health, education, and hydraulics sectors. Directives on feasibility studies for projects, including projects

in the infrastructure and social sectors, should be standardized. All projects with costs above 300 million CFA francs should be approved by the Project Selection Committee.

41. The mission met several times with the Independent Administration of the Dakar Free Industrial Trade Zone (DFIZ) to better understand why the DFIZ lacks vigor and to review the specific measures contemplated by the government for its revitalization.

[Editorial comment] The administration of the French Zone [as published] is moving toward more autonomy, which will permit its staff to act aggressively in attracting more industries. Another beneficial effect is that certain points will be declared free. But these great expectations are in suspension pending modification of its social legislation. A small ambiguity on the part of the mission: It cites Article 3 of the DFIZ enabling legislation when suggesting a change in the same legislation. That seems bizarre!

42. The DFIZ would be hampered in its role of encouraging the development of export industries if the businesses benefitting from the DFIZ could not enjoy greater flexibility in work rules than those companies outside the zone. Given the principal objective of any free zone, including Dakar's, i.e., attracting foreign investments with an inexpensive and productive labor force, it is desirable to proceed as quickly as possible with labor legislation revisions in line with those suggested above.

Civil Service Reform

72. The mission's objective was to obtain government agreement in the matter of limiting the salary budget to 125 billion CFA francs in 1989-90, (keeping it) at this level already having been agreed on for 1990-91 and 1991-92 (...).

73. (...) Recent hirings by the government in the area of state agents have expanded the salary budget, 125.4 billion CFA francs at the end of June 1989, by 5.7 billion CFA francs for 1989-90.(...)

74. The mission sees two principal factors pointing to possible economies. First, the large number of agents in irregular situations revealed by the IGE [expansion unknown]/BOM [Organization and Methods Office] inspection team (5,671 reported in March 1989), and especially the possible underestimation of the number.(...) In addition, the mission finds that no control on various items in the salary budget has been instituted in recent years, especially in the areas of expenses, bonuses, and reimbursements.(...) The mission also suggests, as a follow-up to the considerable effort by BOM, a second review of civil service employment beginning with the ministries of Education, Health, Rural Development, and Equipment. Of course, resources will be needed by the group charged with this review. The results of the review in these ministries should be presented to IDA [International Development Association] before the negotiations.

76. (...) Savings would, in the view of the mission, amount to between 3.3 and 8.0 billion CFA francs for the fiscal year 1989-90.(...)

79. As for reducing the work force, the first consideration is the government's initial proposals that foresaw a net reduction of 4,898 civil servants over the next 3 fiscal years, as follows: 2,803 in 1989-90, 947 in 1990-91, and 1,148 in 1991-92. These figures take into account normal retirements, early retirements, voluntary resignations, administrative restructuring, and hirings, especially under the Ministry of National Education. The mission has not been able to evaluate these figures. It has, however, expressed satisfaction that the government has undertaken a second study of restructuring, the conclusions of which the mission will examine. At the same time, it seems advisable to undertake as soon as possible a study of the concrete details of these reductions. It would be desirable for this study to be presented to IDA before the negotiations begin.

83. (...) The mission is happy to note the government's decision to strengthen the role and powers of the civil service minister in implementing reform. The civil service minister alone would hold talks with other ministers and department heads and would also serve as spokesperson for the government with foreign partners supporting the reform program. The mission recommends announcing this strengthened role before the negotiations.

[Editorial comment] This looks like a superministry to shake things up in high places. Will it speak for itself, or will it be a yes-man?)

In Conclusion...

86. The measures above that are most crucial to the negotiations and to the presentation to the World Bank's Board of Governors are summarized below.

Before the presentation to the Board of Governors:

a) publication by the governmwent of the order setting forth the dates for cancelling the textile, match, and battery industries' exemptions from taxes or duties (as the case may be) on their raw materials;

b) publication of the order applying Article 35 of the Labor Code and the change in the Investment Code broadening the conditions for limited duration contracts and for cancelling prior approval for economic layoffs;

c) implementation of the changes in DFIZ law and regulations allowing businesses within the DFIZ to benefit from the new provisions of the Investment Code;

d) government action freezing the [SMIG] interoccupational guaranteed minimum wage for the next 3 years;

e) negotiation of a new clause to the SAR [expansion unknown] agreement and publication of the corresponding legal justification;

f) adoption of a program simplifying and rationalizing administrative requirements;

g) preparation of a rational plan of fiscal accounting for businesses on the basis of a report to be conveyed to the government shortly;

h) identification of at least five EPS's [expansion unknown] for liquidation between now and June 1990; and sale of eight EPS's to private interests (SIDEC [Senegalese Cinema Import, Distribution, and Operating Company], VACAP, SAIH, SERAS, SNSS, SENPRIM, SONED, SENHOTEL) [expansions unknown];

i) compensation of the crossed borrowing between the government and the EPS up to 59 percent of the amount outstanding at the end of June 1986.

* CSSR Agreement on Retraining Journalists

34190019B Dakar SUD HEBDO in French
5 Oct 89 p 7

[Text] (APS)—The National Union of Senegalese Information and Communication Professionals (SYNPICS) and the International Organization of Journalists (OIJ) finalized major agreements on cooperation at the conclusion of the 5-day visit paid to Prague, Czechoslovakia, the headquarters of the OIJ, by a SYNPICS delegation.

The two organizations agreed to place particular emphasis on the basic and refresher training of Senegalese journalists, either in the training centers of the organization in Prague, Budapest, and Paris, or through the dispatch of experts to Senegal to provide such courses. From now on, training scholarships will be made available to the SYNPICS. It is on this basis that a SYNPICS member will take a refresher course at the Julius Fucik Solidarity School in Prague beginning in January 1990.

Moreover, the OIJ praised the dynamism of the SYNPICS, particularly in connection with the establishment and operation of the Union of West African Journalists (UJAO), the first subregional organization of journalists in Africa. It has set an example that has been followed by the journalists in southern Africa and eastern Africa, within the context of the injection of new dynamism into the Union of African Journalists (UJA) based in Cairo. During the hearing granted to the Senegalese delegation, the secretary general of the OIJ, Dusan Ulcak, reiterated the desire of the OIJ to provide all the material and moral support it can to both the SYNPICS and the UJAO. It was within this framework that an agreement was signed whereby the OIJ, the Ford Foundation, and the SYNPICS will jointly sponsor a seminar to be held in Dakar in December on "the status of the press in western Africa." The OIJ also plans to entrust the organization of a pan-African conference of women journalists to the SYNPICS.

While in Prague, the Senegalese delegation also paid a visit to the international editorial offices of the newspaper LE JOURNALISTE DEMOCRATIQUE, published by the OIJ. There was much discussion during this meeting of the absence of French-speaking Africa from the concerns of this periodical. Therefore, the assistant editor in chief asked the members of the SYNPICS to write some articles in order to better assert the role of French-speaking Africa in the OIJ. It is not impossible, moreover, that a Senegalese journalist belonging to the SYNPICS will be assigned to the international editorial staff in Prague.

The SYNPICS delegation also visited East Berlin, in the GDR, at the invitation of the association of journalists in that country.

In the East German capital, the SYNPICS delegation had fruitful meetings with the leading officials of the journalists association in the GDR and with the staff of the International Journalism Institute in Berlin. With the signing of an outline cooperation agreement pending, the association of journalists in the GDR has already agreed in principle to grant training scholarships to the SYNPICS, as the first stage in a program of greater cooperation with the Senegalese union. The OIJ and the association of journalists in the GDR also expressed their desire to support the trade-union training of the SYNPICS officials. This will involve sending leaders to visit the national unions of journalists in France and Great Britain.

In both Prague and East Berlin, the SYNPICS delegation, which included Ababacar Niang, deputy secretary general; Ibrahima Fall, national administration secretary; Mademba Ndiaye, national organization secretary; and Orlando Lopez, national social affairs secretary, reported on the status of the press in Senegal and in the West African region, as well as the experience of the SYNPICS, which has been a member of the OIJ since January 1989.

* France Discounts Structural Adjustment Loan

34190015B Dakar LE SOLEIL in French
10 Oct 89 p 6

[Text] The principal private secretary of the French Ministry of Cooperation and Development, Mr Claude Erignac, and the Senegalese ambassador to France, Mr Massamba Sarre, signed an agreement 29 September for 1,687,500,000 CFA francs in budget aid toward a 11,250,000,000 structural adjustment loan from the Central Bank for Cooperation.

This loan, for a 30-year term, with a 10-year deferred amortization and a very favorable interest rate, will, in part, finance Senegal's economic and financial recovery program for 1989-90.

Agreement with the IMF was reached during its annual meeting, and the first installment of 140 million French francs should be received soon.

* Japanese Offer Food Aid of 150 Million Yen

*34190015A Dakar LE SOLEIL in French
26 Sep 89 p 3*

[Excerpt] Memoranda concerning food aid offered to Senegal by the Japanese Government were signed yesterday morning at the Finance Ministry by the Secretary of State of the Minister of Economy and Finance and the Japanese ambassador. The aid, in the amount of 150 million yen, or about 350 million CFA francs, is earmarked for buying Thai rice (including transportation costs). The rice will be sold and the income deposited in a fund for project financing.

This new dimension of Japanese cooperation was praised at length by the minister's secretary of state, Mr Moussa Toure, before the Japanese ambassador to Senegal, Mr Murata Mitsuhei. Mr Toure underlined the dynamism of the cooperation between Japan and Senegal. Not a month goes by without signing an agreement with Japan in some sphere or other, he noted.

Diversified Cooperation

Since 1977, Japan has invested over 40 billion CFA francs in Senegal, including some 11.8 billion CFA francs in 1989. This ever expanding cooperation is highly diversified. The newly built radio headquarters is one outstanding example of this varied cooperation. [passage omitted]

* Japanese Gift of Vehicles for Agriculture

*34190025A Dakar LE SOLEIL in French
19 Oct 89 p 9*

[Article by Pape Boubacar Samb: "Japanese Support"]

[Excerpts] The Japanese have just granted Senegal two Toyota pick-up trucks, a Hino truck, and two tractors with the necessary accessories at a total value of 60 million of our francs as part of a project to support the people in the Fatick and Kaolack regions.

When the Japanese ambassador to Senegal delivered this equipment to the Interior Minister at the garage of the presidency on Thursday morning, he pointed out that for the past 10 years or so, his country has been focusing a good part of its assistance on agriculture, a priority area for cooperation between the two countries.

Referring to Senegal's praiseworthy efforts to improve the living conditions of the rural population, Mr Mitsuhei Murata said that to encourage these efforts, the people and government of Japan wanted to continue supporting Senegal in the various fields it regards as priorities. Moreover, he said that he hoped "that the vehicles would be put to full and effective use to help the people living in the Fatick and Kaolack regions to achieve the desired results in their struggle to improve agricultural production and hence their well-being."

He went on to say that he hoped that this grant of equipment would mark "a new stage in the development of our bilateral relations."

These relations are regarded as excellent, since the Japanese government has since 1977 been participating in Senegal in various sectors, including agriculture, water resources, health, fishing, roads, and communications, and has been providing grants or loans on soft terms valued at over 40 billion CFA francs.

As part of this "rich, dynamic, and diversified cooperation adapted to our needs and concerns," Japanese cooperative workers have been working alongside our people in economic and social development projects since May 1980.

The support provided in this context to the teams of rural expansion centers has contributed substantially to improving living conditions of small farmers. [passage omitted]

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